

JOB NO. 200015450001

**HOUSING PLAN ELEMENT AND
FAIR SHARE PLAN**

**BOROUGH OF SPRING LAKE
MONMOUTH COUNTY, NEW JERSEY**

Borough of Spring Lake Planning Board

Adopted on November 12, 2008

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I. HOUSING PLAN ELEMENT

A. Introduction

The New Jersey Municipal Land Use Law, N.J.S.A. 40:55D-1 to -136 ("MLUL") and the New Jersey Fair Housing Act, N.J.S.A. 52:27D-301 to -329 ("FHA") require every municipal planning board to adopt a Housing Plan Element to its Master Plan and further require the governing body of each municipality to adopt a Fair Share Plan. More specifically, the FHA and MLUL require municipalities to adopt a Housing Element that addresses the municipal present and prospective housing needs, "with particular attention to low and moderate income housing." In accordance with the Fair Housing Act at N.J.S.A. 52:27D-310, a Housing Element shall contain at least the following:

1. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated, and in conducting this inventory the municipality shall have access, on a confidential basis for the sole purpose of conducting the inventory, to all necessary property tax assessment records and information in the assessor's office, including but not limited to the property record cards;
2. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for the next ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
3. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
4. An analysis of the existing and probable future employment characteristics of the municipality;
5. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
6. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for, low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

The preparation and submission of a Housing Element of a municipality's Master Plan, and a Fair Share Plan, is the first major step in the process for petitioning the Council on Affordable Housing (COAH) for substantive certification. In addition to the above requirements as established under the MLUL (N.J.S.A. 40-55D-28), COAH regulations require the following additional components for a third round petition:

1. Household and employment projections as provided within Appendix F of N.J.A.C. 5:97.
2. The municipal prior round obligation as identified within Appendix C of N.J.A.C. 5:97.
3. The municipal rehabilitation share as identified within Appendix B of N.J.A.C. 5:97.
4. The minimum requirements prescribed by N.J.S.A. 52:27D-310.
5. The projected growth share in accordance with the procedures set forth at N.J.A.C. 5:97-2.4.
6. Supporting information, including a copy of the most recently adopted municipal zoning ordinance and a copy of the most up-to-date municipal tax maps.
7. Any additional documentation pertaining to the review of the municipality's Housing Element as may be required by COAH.

COAH's regulations define "Fair Share Plan" as follows:

"Fair Share Plan" means the plan that describes the mechanisms and the funding sources, if applicable, by which a municipality proposes to address its affordable housing obligation as established in the housing element, includes the draft ordinances necessary to implement that plan, and addresses the requirements of N.J.A.C. 5:97-3.

This Housing Plan Element and Fair Share Plan meets all of the applicable requirements for the preparation of a housing element and fair share plan within N.J.A.C. 5:97 (Substantive Rules) and N.J.A.C. 5:96 (Procedural Rules) promulgated by COAH. Additionally, this Plan has been prepared in accordance with the requirements set forth within Affordable Housing Reform Statute, P.L. 2008, c.46, which became effective on July 17, 2008.

Summary of the Borough's Affordable Housing Obligation and Fair Share Plan

This Housing Element and Fair Share Plan ("Plan") satisfies all of the applicable requirements set forth within the MLUL, FHA, COAH's regulations and the adopted Affordable Housing Reform Statute, P.L. 2008, c.46. This Plan demonstrates how the Borough of Spring Lake has provided, and will continue to provide, its fair share of the region's affordable housing need. In accordance with the requirements set forth above, the Housing Plan Element of the Master Plan is presented within Section I of this Plan. Section II of this Plan contains the Borough's Fair Share Plan, which includes the strategies, implementation techniques, and the funding sources the Borough of Spring Lake intends to utilize to implement its Fair Share Plan.

The rehabilitation share, the prior round obligation, and growth share obligation are the three components of a municipal fair share obligation. In order to create the Fair Share Plan, the Borough of Spring Lake has determined its affordable housing obligations for all three COAH housing cycles. The Borough's rehabilitation obligation, as depicted within Appendix B of the third round regulations, for the period from 2004 to 2018 is 40 units. The Borough's prior round obligation, as depicted within Appendix C of the third round regulations, for a period from 1987 to 1999 is 132 units. This 132-unit obligation represents a reduction from the 147-unit prior round obligation previously assigned to the Borough by COAH. COAH reduced the Borough's 147-unit prior round obligation to 132 units based upon a recalculation of the Borough's Affordable Housing need. By order dated September 6, 1995, Judge Hayser found vacant land to be a scarce resource in the Borough of Spring Lake and by order dated October 12, 1996, the Court reduced the Borough's Realistic Development Potential (RDP) from 147 units to zero (0) units¹. This decision resulted in a remaining unmet need of 132 units and an RDP of zero (0) units, which carries forward to the Third Round. The Borough proposes to address the unmet need through various mechanisms stipulated in N.J.A.C. 5:97-5.3 and discussed in detail in the subsequent sections of this Plan.

In addition to the Cycle I/Cycle II obligation, the Borough calculated its Cycle III growth share obligation. In order to determine this obligation, the Borough, pursuant to N.J.A.C. 5:97-2.4, utilized the growth projection numbers provided by COAH in Appendix F of its third round regulations. This projection demonstrates that the Borough is responsible for a total growth of three (3) affordable housing units. The Borough proposes to address the three-unit growth share with family rental units as discussed in detail in the subsequent sections of this Plan.

¹ Housing Plan Element of the Master Plan, Borough of Spring Lake, October 1997

B. Analysis of Housing Stock

As of the 2000 Census, there were 1,930 housing units in the Borough of Spring Lake, as shown within Table 1, Housing Units. A total of 75.8 percent were occupied. Of the 1,463 occupied housing units in the Borough, 1,162 (79.4 percent) were owner-occupied and 302 (20.6 percent) were rentals. The housing stock consists primarily of single-family detached housing.

Table 1		
Housing Units		
Units in Structure	Number	Percent of Total Units
1-Unit Detached	1,722	89.20%
1-Unit Attached	5	0.30%
2 Units	53	2.70%
3 or 4 Units	23	1.20%
5 to 19 Units	6	0.30%
10 to 19 Units	18	0.90%
20 Units or more	90	4.70%
Mobile Home	7	0.40%
Other	6	0.30%
Total	1,930	100.00%

Cost of Housing Stock

The median value of sales housing in Borough of Spring Lake was \$638,200 according to the 2000 Census. All of the owner-occupied housing stock was valued at \$150,000 or higher, as shown below within Table 2, Value of Sales Housing. In addition, the median value of sales housing in Monmouth County was \$203,100 in 2000.

Table 2		
Value of Sales Housing		
Value (\$)	Units	Percentage
Less than 50,000	0	0.00%
50,000-99,999	0	0.00%
100,000-149,999	0	0.00%
150,000-199,999	8	0.70%
200,000-299,999	62	5.70%
300,000-499,999	340	31.10%
500,000- 999,000	424	38.80%
1,000,000 and up	259	23.70%
Total	1,093	100.00%

For rental units, the median gross rent was \$1,420, according to the 2000 Census. Table 3, Rental Costs, depicts the gross rental costs for specified renter-occupied rental units within Borough of Spring Lake.

Table 3		
Rental Costs		
Rent (\$)	Units	Percent
\$0-199	0	0.00%
\$200-299	13	4.30%
\$300-499	0	0.00%
\$500-749	27	8.90%
\$750-999	48	15.90%
\$1,000-1,499	62	20.50%
\$1,500 or More	120	39.70%
No cash rent	32	10.60%
Total	302	100.00%

Units Affordable to Low and Moderate Income Households

Low-income households are defined as earning less than or equal to 50 percent of a regional median income. Moderate-income households earn more than 50 percent of regional median income, but less than 80 percent of regional median income.

In addition, COAH has developed a sliding scale for income limits, which defines low-and moderate-income limits based on household size. COAH has determined separate incomes for households from one (1) up to eight (8) persons per household.

Similarly, housing units are to be priced to be affordable to households who could reasonably be expected to live within the housing units. For example, the current COAH rules require that an efficiency unit be affordable to a household of one, as shown below within Table 4, 2008 COAH Income Limits for Monmouth County.

Table 4					
2008 COAH Income Limits for Monmouth County					
	1 Person	2 Person	3 Person	4 Person	5 Person
Moderate	\$47,357	\$54,122	\$60,888	\$67,653	\$73,065
Low	\$29,598	\$33,826	\$38,055	\$42,283	\$45,666
Very Low	\$17,758	\$20,296	\$22,833	\$25,370	\$27,399

To be affordable, a household should not be paying more than 28 percent of its gross income on mortgage payments, property taxes, insurance, and homeowner's fees. A rental unit is affordable if the household is paying no more than 30 percent of its income on rent and utilities.

Condition of Housing Stock

The 2000 Census contains information that may be utilized to try to estimate the number of substandard housing units in a municipality. The factors available for analysis are included below.

Year Structure Built: A distinction is made between units built before 1940 and units built thereafter. Research has demonstrated that units built before 1940 are much more likely to be in substandard condition. This factor is probably the most dominant factor in estimating the condition of a municipal housing stock.

Persons per Room: 1.01 or more persons per room is an index of overcrowding.

Plumbing Facilities: Inadequate plumbing facilities are indicated by either a lack of exclusive use of plumbing facilities or incomplete plumbing facilities.

Kitchen Facilities: Inadequate kitchen facilities are indicated by shared use of a kitchen or the lack of a sink with piped water, a stove or a refrigerator.

Heating Fuel: Inadequate heating is use of coal, coke wood or no fuel for heating.

Sewer: Inadequate sewer services are indicated by a lack of public sewer, septic tank or cesspool.

Water: Inadequate water supply is indicated by a lack of either city water, drilled well or dug well.

Plumbing Facilities: Non-exclusive use of complete plumbing

Persons per Room: More than 1.01 persons per room

Age of Housing: Housing built in 1939 or earlier

Water or Sewer Problem: Deficiency in one or the other

No Telephone: Absence of telephone in unit

Nonstandard Heating Fuel: Use of coal, coke, or wood for heating, or no fuel

COAH describes its approach for estimating the condition of low- and moderate-income housing in a municipality as follows:

It should be realized that any of these characteristics need not signal deficiency on their own. The unit must be occupied by a poor household; be more than 50 years old and contain a single deficiency; or be similarly occupied, by 50 years old or less, but contain an additional detrimental conditional, to signal deficiency. Even then, the unit may not be actually deficient, but there is a high probability that it will be subsequently lost from the housing stock.

This procedure for establishing housing deficiency: (1) is drawn from the literature of the field; (2) encompasses a broad array of physical

insufficiency including such items as incomplete or inadequate kitchen and plumbing, crowding, inadequate heating fuels, and insufficient sewer and water resources; (3) ensures against erroneous inclusion of good units; and (4) provides a very high probability that the housing identified at least in relative terms, is clearly less than adequate.

The 2000 Census indicators presented above were utilized to estimate the presence of substandard housing within Borough of Spring Lake.

Most of the Census indicators available at the municipal level indicate a sound housing stock. Around one (1.1%) percent of the occupied housing units in Spring Lake Borough are occupied by more than 1 person per room. Ninety-nine (99%) percent of the entire housing stock has complete plumbing facilities and approximately 95% of the housing units contain complete kitchen facilities, while none of them have no telephone service. Most of the units are heated with standard heating fuels such as gas or oil. Table 5, below, depicts the findings of this analysis.

Table 5		
Housing Characteristics		
	Total	Percentage
Number of Persons per Room (1,930 units),		
1.00 or less	1,448	99.00%
1.01 to 1.50	11	0.80%
1.51 or more	4	0.30%
Plumbing Facilities		
Units with Complete Plumbing Facilities	1,449	98.80%
Units Lacking Complete Plumbing Facilities	14	1.20%
Heating Equipment		
Utility Gas	1,155	78.90%
Bottled, tank or lp gas	14	1.00%
Electricity	73	5.00%
Fuel, oil, kerosene, etc.	181	12.40%
Coal or Coke	0	0.00%
Wood	0	0.00%
Solar Energy	0	0.00%
Other Fuels	0	0.00%
No Fuel Used	40	2.70%
Kitchen Equipment		
Complete kitchen facilities	1,388	94.90%
Lacking Complete kitchen facilities	75	5.10%
Telephone		
With telephone	1,463	100.00%
No telephone	0	0.00%
Year Structure Built		
1999 to March 2000	8	0.40%
1995 to 1998	45	2.30%
1990 to 1994	55	2.80%
1980 to 1989	101	5.20%
1970 to 1979	87	4.50%
1969 or earlier	1,634	84.80%

The Borough of Spring Lake contains relatively older homes, as the majority (84.8% or 1,634 homes) of Borough of Spring Lake's housing stock was constructed prior to 1969. Out of the 1,634 homes, 54 percent or 882 homes were constructed prior to 1939. The overall trend in housing construction within the Borough increased during the 1980s and has subsequently slowed down over the course of the next two decades, which is mostly due to the lack of vacant developable land.

C. Projected Housing Stock

Since 1996, Borough of Spring Lake has issued building permits for 232 housing units. It has also issued permits to demolish 166 units. According to the data below in Table 6, Dwelling Units Authorized, no building permits for multi-family housing have been issued from 1996 to 2006. The source for the data below is the New Jersey Department of Labor's New Jersey Residential Building Permits 1996-2006 and the New Jersey Department of Community Affairs Demolition Data for the Borough.

Table 6					
Dwelling Units Authorized					
Year	Single Family	2 to 4 Family	5 or more Family	Residential Demolitions	Total Added
1996	6	0	0	2	4
1997	16	0	0	9	7
1998	10	0	0	11	-1
1999	21	0	0	20	1
2000	26	0	0	15	11
2001	27	0	0	18	9
2002	28	0	0	20	8
2003	26	0	0	17	9
2004	23	0	0	18	5
2005	24	0	0	22	2
2006	25	0	0	14	11
Total	232	0	0	166	66

According to Department of Labor data from 1996-2006, Borough of Spring Lake added a net total of 66 units to its housing stock. This represents an average increase of 6.6 new housing units per year. It is important to note that the rate of production of single-family housing in the Borough has declined over the past ten (10) years. It is thought that this is due both to a change in the economy and a decrease in vacant developable land. Please note that these numbers are different from the numbers depicted in the growth share calculations. The Growth Share Calculations, included within Section G, has utilized the household and employment projections provided for each municipality pursuant to N.J.A.C. 5:97-2.2(d), which stipulates that the household and employment projections included within Appendix F of the third round rules should be used to calculate the growth share. These are based upon New Jersey Department of Labor and Workforce Development county projections, which are allocated to the municipal level based on the historical trends for each municipality and the extend to which each municipality approaches its physical growth capacity.

D. Demographic Characteristics

Borough of Spring Lake has stabilized in its net population growth. While the Borough population had increased with each decennial census from the period of 1960 to 1980, the rate of growth is beginning to decrease.

Table 7 Spring Lake Population Characteristics 1930-2020 (Projected)			
Year	Population	Percent Change	Population Density*
1930	1,745	-	1,026.47
1940	1,650	-5.4%	970.58
1950	2,008	21.7%	1,181.18
1960	2,922	45.5%	1,718.82
1970	3,896	33.3%	2,291.80
1980	4,215	8.2%	2,479.41
1990	3,499	-17.0%	2,058.24
2000	3,567	1.9%	2,098.24
2006	3,475	-2.6%	2,044.12
2010	3,640	4.7%	2,141.18
2020	3,660	0.5%	2,152.94
*Population Density displayed as residents per square mile Source: U.S. Census Bureau State of New Jersey Department of Labor and Workforce Development website at http://www.wnjin.net/OneStopCareerCenter/LaborMarketInformation/Imi01/poptrd6.htm ; Accessed August 2008. 2010 and 2020 Projections: North Jersey Transportation Planning Authority. http://www.njtpa.org/DataMap/Demog/Forecast/default.aspx ; Accessed August, 2008			

The median age in Borough of Spring Lake (47.7 years) is slightly higher than the median age of Monmouth County (37.7 years) as shown below in Table 8, Population by Age Cohort. In addition, the number of residents age 70 and over in Borough of Spring Lake (25.1%) is also slightly higher than that of Monmouth County (12.50%).

Table 8 Population Comparison by age		
Age	Spring Lake	Monmouth County
Under 5	5.70%	6.90%
5 to 19	17.30%	21.3%
20 to 24	3.20%	4.80%
25 to 44	19.70%	30.40%
45 to 64	29.00%	24.10%
Over 65	25.1%	12.50%
Total	100.00%	100.00%
Median Age	47.7	37.7

The 2000 Census indicates that the median income of Borough of Spring Lake residents (\$89,885) was significantly higher than the median income for Monmouth County (\$64,271) or the State (\$55,146). In addition, the per capita income of Borough of Spring Lake residents was \$59,445, the Monmouth County per capita income was \$31,149, and the per capita income for all New Jersey

households was \$27,006. Further, 44 percent of Borough of Spring Lake households earned \$100,000 or more. The corresponding percentage for Monmouth County was 27.9 percent. A distribution of households by income for the Borough of Spring Lake and Monmouth County is presented within Table 9, Households by Income, below.

Table 9		
Households by Income (%)		
Income (\$)	Spring Lake	Monmouth County
Less than \$10,000	5.1	5.5
\$10,000-\$14,999	1.4	4.1
\$15,000-\$24,999	3.9	7.9
\$25,000-\$34,999	8.3	8.6
\$35,000-\$49,999	7.8	12.5
\$50,000-\$74,999	14.9	19.2
\$75,000-\$99,999	14.7	14.4
\$100,000-\$149,999	19.9	15.8
\$150,000-\$199,999	7.3	6
\$200,000 or more	16.8	6.1
Median Household Income	\$89,885	\$64,271

The average household size in the Borough is 2.43 persons. The renter household size averages 1.85 persons versus 2.58 persons for owner-occupied units.

E. Employment Characteristics

The 2000 Census reports on work activity of residents 16 years and older. The Spring Lake workforce is comprised of 874 men (68.0%) and 614 women (38.7%). Of which the average commuting time of a Borough of Spring Lake worker was 35.5 minutes. The majority (91.4%) of residents of Borough of Spring Lake are not self-employed, but work within the private sector, as shown below within Table 10, Classifications of Workers.

Table 10		
Classification of Workers		
Class	Spring Lake Total	Workers (%)
Private Wage and Salary	1,088	76.6
Government Workers	191	13.4
Self Employed	122	8.6
Unpaid Family	20	1.4

An analysis of the employed (over the age of 16) by economic sector indicates that the majority of Borough of Spring Lake workers were involved in management, professional, and related occupations, service occupations, and sales and office occupations, as shown below within Table 11, Workforce by Sector.

Table 11		
Workforce by Sector		
Sector	Employees (1,421 workers)	Workforce (%)
Management, Professional, and related occupations	757	53.3
Service Occupations	142	10
Sales and Office occupations	421	29.6
Farming, fishing, and forestry occupations	0	0
Construction, extraction and maintenance	67	4.7
Production, transportation, and material moving	34	2.4

The workforce occupation characteristics in the Borough of Spring Lake were compared with that of Monmouth County. As indicated in Table 12, the occupation characteristics of the Borough's residents compare closely with that of workers residing in the County. Over 82.9 percent of the Borough of Spring Lake workforce is classified working in managerial and professional occupations, and sales and office occupations, as shown below within Table 11, Occupation Characteristics. In comparison, 71.2 percent of Monmouth County's labor force is employed in these occupations. Although the Borough has a slightly higher percentage of people employed in the managerial and professional occupations, as sales and office occupations, the County has higher percentages in both construction, extraction and maintenance, and production, transportation, and material moving. Both the Borough and County Occupational Characteristics are summarized within Table 12, Occupation Characteristics.

Table 12		
Occupation Characteristics		
Sector	Spring Lake (%)	Monmouth County (%)
Management, Professional, and related occupations	53.3	41.8
Service Occupations	10	12.4
Sales and Office occupations	29.6	29.4
Farming, fishing, and forestry occupations	0	0.2
Construction, extraction and maintenance	4.7	7.7
Production, transportation, and material moving	2.4	8.4

In addition, in order to understand what implications this employment data has for the Borough and understand what the employment field and area trends are for Spring Lake Borough, and Monmouth County, the New Jersey Department of Labor ("NJDOLE") has prepared projections, which analyze the expected increase or decrease in a particular employment sector by the year 2008. This data has been summarized and is illustrated within Table 13, below.

<p align="center">Table 13 Monmouth County Projected Employment</p>				
Occupation	2004	Percent	2014 Projection	Percent Change +/-
Management Occupations	15,200	5.23	17,100	12.5
Professional	71,650	24.67	82,300	14.86
Sales & Related Occupations	38,200	13.15	41,500	8.64
Admin Support & Clerical	52,950	18.23	54,250	2.46
Service Occupations	61,250	21.09	73,200	19.51
Construction/Extraction	15,550	5.35	17,350	11.58
Maintenance/Repair Operations	9,950	3.43	11,250	13.07
Production/Transportation/Moving Occupations	25,500	8.78	26,950	5.69
Farming, Fishing, and Forestry Occupations	200	0.07	200	0
Total	290,450	100	324,250	-
Source: New Jersey Department of Labor, 2004				

F. Vacant Land Adjustment

The cumulative 1987-2018 affordable housing obligation for the Borough was calculated based upon the recalculated rehabilitation share and prior cycle new construction obligation, and the growth share projection. The revised prior round obligation numbers provided within Appendix C were established in 1993 and are the municipality's unadjusted 1987 to 1999 obligation. Appendix C notes a prior round obligation of 132 units for the Borough of Spring Lake.

Previously, the Borough of Spring Lake had conducted an analysis of vacant parcels in 1995 and the Court-Appointed Master, Mr. John Lynch, PP, AICP, recommended to the Court, in a letter dated April 1, 1996, that the Realistic Development Potential of the Borough be set to zero (0) units. By order dated October 12, 1996, the Court issued an order that the Borough's RDP for a period from 1987 to 1999 be established to zero (0) units². This RDP carries forward to the third round. The 132-unit prior round obligation less the 0-unit RDP yields an unmet need of 132 units, as indicated below.

Prior Round Obligation – RDP = Unmet Need
 132 – 0 = 132

N.J.A.C. 5:97-5.3 sets forth the various mechanisms by which a municipality may address its unmet need. The mechanisms adopted by the Borough, in accordance with N.J.A.C. 5:97-5.3, are specifically illustrated in the Fair Share Plan section of this Plan.

² Housing Element of the Master Plan, Borough of Spring Lake, October 1997

G. Growth Share Calculation

N.J.A.C. 5:97-2.4 sets forth the requirements for calculating a municipality's growth share based upon the projections provided within Appendix F of the third round rules. Appendix F includes projections for housing anticipated to be built and non-residential employment growth projected through 2018. In the alternative N.J.A.C. 5:97-2.2(d) stipulates that a municipality may rely upon its own household and employment growth projections, prepared in accordance with N.J.A.C. 5:97-2.5; provided the municipal projections exceed the projections in Appendix F. The municipal growth share projection is based upon Certificates of Occupancy ("COs") anticipated to be issued during the time period between January 1, 2004 and December 31, 2018. The Borough of Spring Lake will utilize COAH's projections pursuant to N.J.A.C. 5:97-2.4.

COAH's projection included within Appendix F of the third round rules estimates that a total of five (5) residential units and 35 jobs would be realized during the 2004-2018 time period. Dividing the 5-unit residential projection by five (5) and the 35 jobs by 16 provides an unadjusted residential and non-residential growth share of one (1) unit and 2.19 units, respectively. The Borough of Spring Lake's total unadjusted growth share is the sum of the residential growth share (one unit) plus the non-residential growth share (2.19 units), which yields a total growth share of 3.19 or three (3) units. These calculations are depicted within Workbook A, which is included within Appendix A of this Plan. COAH requires that municipalities submit a completed copy of Workbook A, which provides the above-mentioned formulas necessary to calculate the growth share in accordance with N.J.A.C. 5:97-2.4.

H. Determination of Low- and Moderate-Income Housing Need

The Mt. Laurel decisions established that every municipality is responsible for a "fair share" of a regional affordable housing need. COAH, pursuant to the Fair Housing Act, is responsible for defining regions and developing criteria for establishing each municipality's share of the regional need. Borough of Spring Lake is located within Affordable Housing Region 4, consisting of Mercer, Monmouth and Ocean counties.

The determination of low- and moderate-income housing responsibility for the Borough was calculated in accordance with COAH's revised third round rules and consists of the following three components: deficient housing units occupied by low and moderate income households known as the rehabilitation share, any remaining Prior Round (1987-1999) housing obligations, and the growth share component for the period of January 1, 2004 to December 31, 2018. This is described in detail in the preceding sections of this plan and summarized below in Table 14.

Table 14 Summary of 1987-2018 Affordable Housing Obligation	
Rehabilitation Share as per Appendix B	40
Prior Round Obligation as per Appendix C	132
RDP as per Court Order	0
Unmet Need (Prior Round Obligation less RDP)	132
Total Growth Share Projection as per Appendix F	3

I. Identification of Lands Appropriate for Low and Moderate Income Housing

During evaluation of the growth share obligation BEI examined the existing lands, to identify the ones that would be most appropriate for the development of low and moderate income housing in the Borough of Spring Lake. The existing and planned infrastructure, land use patterns, demands for uses, municipal economic development policies and regulatory and environmental constraints were also analyzed. The results of the above referenced analysis indicates that the existing zoning for the affordable housing project included within this Plan is anticipated to provide adequate capacity to accommodate the residential and non-residential growth projections presented within the growth share calculation. The entire Borough of Spring Lake is located within an existing sewer and water service area. The Borough is essentially built out; therefore development activity such as infill development, demolition and rebuilding, expansions and additions to existing residential and non-residential uses is expected rather than development on vacant land.

The Borough has identified a site, known as Block 62, Lot 11.01, to address its three-unit growth share obligation. This site, as described in the following paragraph, was found to be suitable for development with affordable housing in accordance with N.J.A.C. 5:97-3.13 and the following definition excerpted from N.J.A.C. 5:97-1.4.

A “suitable” site is:

A site that has clear title and is free of encumbrances which preclude development of affordable housing; is adjacent to compatible land uses; has access to appropriate streets, water and sewer infrastructure; can be developed consistent with the Residential Site Improvement Standards and the rules or regulations of all agencies with jurisdiction over the site; and is consistent with the site suitability criteria delineated in N.J.A.C. 5:97-3.13. A site may be deemed suitable although not currently zoned for affordable housing.

Block 62, Lot 11.01-Warren Avenue Site

The “Warren Avenue Site”, known as Block 62, Lot 11.01 is a 0.22 acres site located in the westerly portion of the Borough of Spring Lake. The subject site is bound by Warren Avenue to the south. The Borough currently owns the property; therefore the site has a clear title and is free of encumbrances. The Borough of

Spring Lake purchased the property for \$645,000 in 2004. The site is located in the General Commercial (GC) Zone with an overlay of Affordable Housing Overlay Zone. The Borough adopted the Affordable Housing Overlay zone through Ordinance No. 20-2006 in December 2006, which identifies the location of the subject site within the said zone. In that multi-family residential rental units are a permitted use. The site is located close to shopping and employment opportunities, and has access to appropriate streets, water and sewer infrastructure. Additionally, it is located within the Metropolitan Planning Area (PA1) as per the State Development and Redevelopment Plan, which is the preferred location for affordable housing sites. Currently there is an existing older multi-family structure on the site, which will be demolished and replaced with a four-unit apartment building.

The site suitability analysis for the proposed affordable housing site is included on the required checklist for the above reference project within Appendix B of this Plan. In addition, the Affordable Housing Site Map is included within Appendix C of this Plan.

II. FAIR SHARE PLAN

A. Introduction

COAH's regulations, as set forth in N.J.A.C. 5:97-3, require that a "Fair Share Plan" set forth the mechanisms and funding sources by which a municipality proposes to address its affordable housing obligation. Additionally, COAH requires that the draft Fair Share Ordinances necessary to implement the Fair Share Plan be included within the Fair Share Plan report. This Fair Share Plan sets forth the mechanisms and funding sources that will be utilized to address the Borough's cumulative Cycle I, Cycle II and Cycle III obligation. A completed COAH Petition Application is included within Appendix D. This Application has been included in accordance with COAH's regulations and provides detailed information about the Borough's Fair Share Plan. In addition, this Fair Share Plan provides a detailed explanation of the draft Fair Share Ordinances necessary to implement Plan, which are included within the attached Appendices. This Fair Share Plan will amend the Borough's existing Housing Plan Element, which was adopted in October 2005.

The total cumulative affordable housing obligation consists of three components: the rehabilitation share, prior cycle obligation and the growth share component. Each of those components is depicted within Table 15 below.

Table 15	
Summary of 1987-2018 Affordable Housing Obligation	
Rehabilitation Share as per Appendix B	40
Prior Round Obligation as per Appendix C	132
RDP as per Court Order	0
Unmet Need (Prior Round Obligation less RDP)	132
Total Growth Share Projection as per Appendix F	3

The Borough has an unmet need of 132 units. Additionally, the Borough has a rehabilitation share of 40 units as per Appendix B of the third round regulations and a growth share of three (3) units calculated in accordance with N.J.A.C. 5:97-2.4.

B. Proposed Plan for Cycle I and Cycle II Obligation

The recalculated prior cycle affordable housing obligation for the Borough of Spring Lake is 132 units. By order of September 6, 1995, Judge Hayser found vacant land to be a scarce resource in the Borough of Spring Lake and by order dated October 12, 1996, the Court reduced the Borough's Realistic Development Potential (RDP) from 147 units to zero (0) units³. This RDP carries forward to the third round. The 132-unit prior round obligation less the 0-unit RDP yields an

³ Housing Plan Element of the Master Plan, Borough of Spring Lake, October 1997

unmet need of 132 units. The Borough intends to address its unmet need through various mechanisms pursuant to N.J.A.C. 5:97-5.3 and as detailed in this section.

Limitations on How to Satisfy Cycle I and II Responsibilities

N.J.A.C. 5:97-3.11 sets forth the formulas for municipalities that have been granted a vacant land adjustment as part of a second round substantive certification or judgment of compliance.

The minimum number of rental units that the Borough is required to provide is 25% of its RDP, or 0 units, as calculated below.

$$0.25 * \text{RDP} = \text{Rental Unit Minimum}$$

$$0.25 * 0\text{-unit RDP} = 0 \text{ Rental Unit Minimum}$$

Additionally, the maximum number of age-restricted units that Spring Lake Borough could take credit for is up to 29-units, as calculated below.

$$0.25 (\text{Unmet Need} - \text{Transferred RCA Units Addressing Unmet Need}) = \text{Age-Restricted Unit Maximum}$$

$$0.25 (132 - 14) = 29 \text{ Unit Age-Restricted Maximum}$$

The maximum number of transferred RCA units that Spring Lake Borough could take credit for is up to 66-units, as calculated below.

$$0.50 * \text{Unmet Need} = \text{RCA Maximum}$$

$$0.50 * 132 = 66 \text{ Unit RCA Maximum}$$

The calculated limitations are summarized within Table 16, below.

Table 16	
Cycle III Limits and Requirements	
Obligation	Units/Credits Required
Rental Units (Minimum)	0
Age-Restricted Units (Maximum)	29
RCA (Maximum)	66

The Borough of Spring Lake is addressing its unmet need in compliance with the above-mentioned formulas. The Borough intends to address its unmet need through various mechanisms pursuant to N.J.A.C. 5:97-5.3 and as detailed in this section.

Table 17, below presents a summary of the Cycle I and II Fair Share Plan, which addresses the Borough's unmet need.

Table 17 Cycle I and II Fair Share Plan	
Obligation	Units/Credits Required
Prior Round Obligation	132
RDP	0
Unmet Need (Prior Rd Obligation-RDP)	132
RCA with Asbury Park	14
Remaining Unmet Need	118*
*A Development Fee Ordinance has been adopted to address this portion of the unmet need.	

Regional Contribution Agreement

The Settlement Agreement mandated that Essex and Sussex Associates fund a 14-unit Regional Contribution Agreement at a cost of \$20,000 per unit for a total contribution of \$280,000. In 2003, Spring Lake entered into a Regional Contribution Agreement with the City of Asbury Park for 14-units. Spring Lake agreed to send \$25,000 per unit to the receiver for a total of \$350,000. Therefore the Borough had to contribute \$5,000 to subsidize each RCA unit, for a total of \$70,000.00. To date, all \$350,000 has been transferred. The Borough proposes to apply these 14 units towards the unmet need. A copy of the signed RCA and the Settlement Agreement are included within Appendix E and Appendix F, respectively.

Funding of the Unmet Need through a Development Fee Ordinance or Other Necessary Sources

Residential development fees are paid in association with the residential development process to aid in the provisions of affordable housing. The New Jersey Supreme Court, in Holmdel Builder's Association v. Holmdel Township, 121 N.J. 550 issued on December 13, 1990, determined that mandatory development fees are both statutorily and constitutionally permitted. However, a municipality may only impose and collect development fees if the municipality has received judicial or administrative approval of its development fee ordinance. Development fees may be used to support virtually any activity designed to implement a Fair Share Plan. Pursuant to N.J.A.C. 5:97-8.3 within the third round substantive rules, development fees are permitted at a maximum of one and one-half percent of the equalized assessed value of each unit in a residential development and, when an increase in density is involved pursuant to a "d" variance, the fee is a maximum of six percent of the equalized assessed value of each additional unit. Non-residential fees must be assessed at a rate of two and one-half percent of the equalized assessed value of the development in accordance with Affordable Housing Reform Statute, P.L. 2008, c.46, which became effective on July 17, 2008.

In accordance with the above option, to defray the costs of compliance the Borough adopted the Development Fee Ordinance in December 7, 1998 by Ordinance No. 25-1998, which was amended on April 18, 2005 by Ordinance No. 11-2005. This existing development fee ordinance is included in Appendix G. This ordinance requires developers to pay a fee of one percent of equalized assessed value for residential development. The required fees are deposited into the Housing Trust Fund and utilized to implement the Borough's Fair Share Plan in accordance with COAH rules.

Additionally, a copy of the proposed Development Fee Ordinance, which proposes to raise the residential development fee from one percent up to one and one-half percent of the equalized assessed value, is included within Appendix H of this Plan. This Ordinance was prepared in compliance with all of the applicable provisions of COAH's current regulations and Affordable Housing Reform Statute, P.L. 2008, c.46.

The Rehabilitation Component

The third round regulations have established a rehabilitation obligation of 40 units for the Borough. Spring Lake has a Memorandum of Understanding with the Monmouth County Housing Improvement Program to rehabilitate its fair share. The Borough completed rehabilitating seven (7) owner-occupied dwelling units between August 2002 and May 2004. All the units were brought up to code. The average cost of rehabilitation is \$13,035.57. All the projects have a six-year deed restriction. A complete list of the projects is included within Appendix I of this Plan. The Borough is seeking rehabilitation credits for these units pursuant to N.J.A.C. 5:97-4.5(b). The Borough has a remaining obligation of 33 units as calculated in Table 18, below.

Table 18	
Rehabilitation Component	
Rehabilitation Obligation as per NJAC 5:97	40
Credits	7
Calculated Rehabilitation Obligation	33

The Borough will continue to collaborate with the Monmouth County Housing Improvement Program for all the rehabilitation services in order to satisfy the remaining rehabilitation obligation. The Borough anticipates that existing funds available in the Affordable Housing Trust and additional funding available through the development fees shall be utilized to address the remaining rehabilitation obligation. The Borough anticipates rehabilitating four (4) units a year for a period from 2009 through 2017 in order to meet its rehabilitation obligation of 33-units. Additionally, the Borough intends to address a portion of its 33-unit obligation by rehabilitating rental units.

Summary of the Proposed Cycle I and II Plan

As demonstrated above, the unmet need of 132-units will be addressed with the 14 RCA units transferred to Asbury Park and a development fee ordinance. The required fees would be deposited into the Housing Trust Fund and utilized to implement the Borough's Fair Share Plan in accordance with COAH rules. Additionally, the Borough anticipates using the existing funds available in the Affordable Housing Trust and additional funding available through the development fees to address the remaining rehabilitation obligation.

C. Proposed Plan for Cycle III Obligation

Based upon the growth share calculations presented within Section G of the Housing Plan Element (Section I of this Plan). Spring Lake Borough has a growth share obligation of three (3) units for the January 1, 2004 through December 31, 2018 time period. This Fair Share Plan will satisfy the entire three-unit obligation through the construction of a four-unit 100% affordable rental project on a site located on Warren Avenue. Detailed information about the proposed project is included below.

Limitations on How to Satisfy Cycle III Responsibilities

N.J.A.C. 5:97-3.11 sets forth the formulas for municipalities that have been granted a vacant land adjustment as part of a second round substantive certification or judgment of compliance.

The minimum number of rental units that the Borough is required to provide is 25% of its growth share obligation, which is 0.75 or 1 unit, as calculated below.

$$\begin{aligned} 0.25 * \text{Growth Share Obligation} &= \text{Rental Unit Minimum} \\ 0.25 * 3 \text{ growth share units} &= 0.75 \text{ or } 1 \text{ Rental Unit Minimum} \end{aligned}$$

Additionally, the maximum number of age-restricted units that Spring Lake Borough could take credit for is up to 0-units, as calculated below.

$$\begin{aligned} 0.25 * \text{Growth Share Obligation} &= \text{Age-Restricted Unit Maximum} \\ 0.25 * 3 \text{ growth share units} &= 0.75\text{-unit or Zero (0) unit Age-Restricted Maximum} \end{aligned}$$

The recently adopted Affordable Housing Reform Statute, P.L. 2008, c. 46, which amended the New Jersey Fair Housing Act, requires that 13 percent of all affordable units created in a municipality be dedicated to very-low-income households.

$$\begin{aligned} 0.13 * \text{Growth Share Obligation} &= \text{Very-Low-Income Units} \\ 0.13 * 3 &= 0.39 \text{ Units or } 1\text{-Unit} \end{aligned}$$

The calculated limitations are summarized within Table 19, below.

Table 19	
Cycle III Limits and Requirements	
Obligation	Units/Credits Required
Age-Restricted Units (Maximum)	0
Rental Units (Minimum)	1
13 Percent Very-Low Income (Minimum)	1

Table 20, below presents a summary of the Cycle III Fair Share Plan, which addresses the Borough's 3-unit growth share obligation. In addition, a detailed description of each component of the Cycle III Fair Share Plan is included below.

Table 20			
Cycle III Fair Share Plan			
Project	Affordable Units	Affordable Unit Type	Status
Rental Component (Minimum Rental Obligation = 1 units)			
Warren Site (Block 62, Lot 11.01)	4	Non Age-Restricted Rental	Proposed
Bonus Credits	0	-	-
Total	4	-	-
Growth Share Obligation			
Residential Component	1	-	-
Non-Residential Component	2	-	-
Total Growth Share Obligation	3	-	-
Total Growth Share Credits Provided	4	-	-
Surplus	1	-	-

Block 62, Lot 11.01 (Warren Avenue Site)

Based upon the Borough's growth share obligation of three (3) units, Borough of Spring Lake has a one-unit minimum rental obligation for Cycle III. The Borough proposes to meet this obligation through the proposed Warren Avenue Site project, which is comprised of four (4) affordable non-age restricted family rental units. As mentioned earlier, the recently adopted Affordable Housing Reform Statute, P.L. 2008, c. 46, which amended the New Jersey Fair Housing Act, requires that 13 percent of all affordable units created in a municipality be dedicated to very-low-income households. Therefore, one (1) unit out of the four (4) proposed apartment units would be dedicated to a very-low-income household. The four (4) proposed affordable housing units satisfies the entire 3-unit growth share obligation and provides a surplus of one (1) unit.

The "Warren Avenue Site", known as Block 62, Lot 11.01, is located in the westerly portion of the Borough of Spring Lake. The site consists of an area of

approximately 9,350 square feet (0.22 acres). The subject site is bound by Warren Avenue to the south. The Borough currently owns the property; therefore the site has a clear title and is free of encumbrances. The Borough of Spring Lake purchased the property for \$645,000 in 2004. The site is located in the General Commercial (GC) Zone with an overlay of the Affordable Housing Overlay Zone. The Borough adopted the Affordable Housing Overlay zone through Ordinance No. 20-2006 in December 2006. In that multi-family residential rental units are a permitted use. The properties in the vicinity of the subject site are zoned General Commercial and R-2 Residential Single Family. Furthermore, it is located close to shopping and employment opportunities, and has access to appropriate streets, water and sewer infrastructure. It should be noted that the entire Borough of Spring Lake, including the subject site, is located within an existing sewer and public water service area. The South Monmouth Sewer Authority and New Jersey Water Supply Authority provides sewage and water services, respectively. Additionally, the subject site is located within the Metropolitan Planning Area (PA1) as per the State Development and Redevelopment Plan, which is a preferred location for affordable housing sites.

Currently there is an existing older multi-family structure on the site, which will be demolished and replaced with a four-unit apartment. All the four units will be identical, each having two-bedrooms. Due to the small number of units required, the Borough requests a waiver from COAH's Executive Director from the Uniform Housing Affordability Controls at N.J.A.C. 5:80-26 regarding the bedroom distribution.

As mentioned earlier, the existing building will be razed to build a new rental complex on site. In 2005, the total cost to build the new complex was estimated to be \$899,280, which included the cost of demolishing the existing building. The Borough anticipates utilizing funds from its Affordable Housing Trust Fund, available grants and tax credits. However in the event of lack of adequate funding, the Borough will consider bonding to fund the demolition of the existing building and the construction of the new building. Although no developer has been selected, the Borough is currently soliciting estimates from several reputable developers before making a decision. Upon retention of the developer, a Pro Forma elucidating the details of the project shall be provided to COAH. As mentioned earlier, a copy of the deed and the COAH Checklist for this project is included within Appendix B of this Plan.

Spending Plan

The Borough of Spring Lake has prepared a draft spending plan in accordance with N.J.A.C. 5:97-8.10. The Spending Plan, included within Appendix J, demonstrates how the Borough intends to defray the costs associated with the provision of affordable housing by adopting the various mechanisms to address the unmet need, rehabilitation obligation and in the development of the 4-unit rental project to address the growth share obligation. As of September 30, 2008, the Borough has revenue of \$1,055,433.55 in their Affordable Housing Trust

Fund. The Draft Spending Plan and Draft Escrow Agreement are included within Appendix J and K, respectively. The adopted Resolution of Intent to Bond (Resolution No. 128-2006) for the 4-unit Warren Avenue 100% affordable apartment project is included within Appendix L. Additionally, draft Resolution of Intent to Bond for the Warren Avenue project is included within Appendix M. The draft Affordable Housing Ordinance is included within Appendix N of this Plan. These existing and draft resolutions demonstrate the financial feasibility of implementing all of the projects and mechanisms proposed within this Plan.

Summary of the Proposed Cycle III Plan

As demonstrated above, the growth share obligation of three (3) units for the January 1, 2004 through December 31, 2018 time period will be satisfied through the construction of a four-unit 100% affordable rental project on a site located on Warren Avenue. The four (4) proposed affordable housing units will satisfy the entire 3-unit growth share obligation and provides a surplus of one (1) unit.

D. Summary of the Fair Share Plan

The strategies, funding sources and implementation measures described above will be utilized to implement the Fair Share Plan and provide an effective means of constructing affordable housing within the Borough of Spring Lake. All of the implementation measures, presented in this Plan, are in accordance with the applicable COAH rules.

As mentioned earlier and as depicted below in Table 21, the Borough has a RDP of zero (0) units and an unmet need of 132 units. The Borough intends to apply the 14-unit RCA with Asbury Park towards the unmet need. The remaining unmet need of 118 units will be addressed by various funding mechanisms such as a development fee ordinance. The Borough has a rehabilitation obligation of 40 units. As demonstrated in this Plan, the Borough is eligible to obtain seven (7) credits for the rehabilitation activity conducted after April 1, 2000 and before December 20, 2004. The Borough will continue to collaborate with the Monmouth County Housing Improvement Program for all the rehabilitation services in order to satisfy the remaining rehabilitation obligation of 33 units. Additionally, the Borough anticipates that funding obtained through the development fees shall be utilized to address the remaining rehabilitation obligation.

The Borough has a growth share obligation of three (3) units. The Borough proposes to meet this obligation through the proposed Warren Avenue Site project, which is comprised of four (4) affordable family rental units. The Borough will bond to fund the demolition of the existing building and the construction of the new building. The four (4) proposed affordable housing units satisfies the entire 3-unit growth share obligation and provides a surplus of one (1) unit.

Table 21, below presents a summary of the Cycle I, II and III Fair Share Plan

Table 21			
Cycles I, II and III Fair Share Plan Summary			
Project	Affordable Units/Credits	Unit/Credit Type	Status
Rehabilitation Component			
Rehabilitation Obligation as per NJAC 5:97	40	Rehabilitated Units	-
Rehabilitation Credits	7	Rehabilitated Units	-
Rehabilitation Units Proposed	33	Rehabilitated Units	-
Total Rehabilitation Units Provided	40	Rehabilitated Units	-
Cycle I/II			
Total Prior Round Obligation	132	-	-
RDP	0	-	-
Unmet Need	132	-	-
RCA with Asbury Park	14	RCA	Transferred
Remaining Unmet Need	118*		
Cycle III Fair Share Plan			
Rental Component (Minimum 1 units)			
Block 62, Lot 11.01 (Warren Avenue Site)	4	Non-Age Restricted Family Rental Units	Proposed
Total	4	-	-
Cycle III Totals			
Total Obligation	3	-	-
Total Credits Provided	4	-	-
Surplus	1	-	-

*A Development Fee Ordinance has been adopted to address this portion of the unmet need.

As demonstrated above, the Borough of Spring Lake meets all the applicable sections of COAH's Cycle I, II, and III affordable housing regulations and Affordable Housing Reform Statute, P.L. 2008, c.46.

APPENDIX A

COAH WORKBOOK A

Workbook A: Growth Share Determination Using Published Data

(Using Appendix F(2), *Allocating Growth To Municipalities*)

COAH Growth Projections

Must be used in all submissions

Municipality Name:

Borough of Spring Lake

Enter the COAH generated growth projections from Appendix F(2) found at the back of N.J.A.C. 5:97-1 et seq. on Line 1 of this worksheet. Use the Tab at the bottom of this page to toggle to the exclusions portion of this worksheet. After entering all relevant exclusions, toggle back to this page to view the growth share obligation that has been calculated. Use these figures in the Application for Substantive Certification.

	Residential	Non-Residential
1 Enter Growth Projections From Appendix F(2) *	5	35
2 Subtract the following Residential Exclusions pursuant to 5:97-2.4(a) from "Exclusions" tab	Click Here to enter Prior Round Exclusions	
built or projected to be built post 1/1/04		
Inclusionary Development	0	
Supportive/Special Needs Housing	0	
Accessory Apartments	0	
Municipally Sponsored or 100% Affordable	0	
Assisted Living	0	
Other	0	
Market Units in Prior Round Inclusionary development built post 1/1/04	0	
3 Subtract the following Non-Residential Exclusions (5:97-2.4(b))		
Affordable units	0	
Associated Jobs		0
4 Net Growth Projection	5	35
5 Projected Growth Share (Conversion to Affordable Units Dividing Households by 5 and Jobs by 16)	1.00 Affordable Units	2.19 Affordable Units
6 Total Projected Growth Share Obligation		3 Affordable Units

* For residential growth, see Appendix F(2), Figure A.1, Housing Units by Municipality. For non-residential growth, see Appendix F(2), Figure A.2, Employment by Municipality.

APPENDIX B

**DOCUMENTATION FOR BLOCK 62, LOT 11.01: WARREN AVENUE
SITE**

**MUNICIPALLY SPONSORED AND 100 PERCENT AFFORDABLE
DEVELOPMENTS (N.J.A.C. 5:97-6.7)**

(Submit separate checklist for each site or project)

General Description

Municipality/County: Borough of Spring Lake, Monmouth County

Project Name: Warren Avenue Site

Block(s) and Lot(s): Block 62, Lot 11.01

Affordable Units Proposed: 4

Family: 4

Sale: 0

Rental: 4

Very low-income units: 1

Sale: 0

Rental: 1

Age-Restricted: 0

Sale: 0

Rental: 0

Bonuses, if applicable:

Rental bonuses as per N.J.A.C. 5:97-3.5: 0

Rental bonuses as per N.J.A.C. 5:97-3.6(a): 0

Very low income bonuses as per N.J.A.C. 5:97-3.7¹: 0

Smart Growth Bonus as per N.J.A.C. 5:97-3.18: 0

Compliance Bonus as per N.J.A.C. 5:97-3.17: 0

Date zoning adopted: 12/12/2006 Date development approvals granted: _____

Required Information and Documentation with Petition or in Accordance with an

Implementation Schedule

- ☒ Project/Program Information & Unit Inventory Forms (previously known as Project/Program Monitoring Form. If relying on previously submitted 2007 monitoring and/or subsequent CTM update, also check here ☒ in lieu of submitting forms.)

Is the municipality providing an implementation schedule for this project/program.

- ☒ Yes. Skip to and complete implementation schedule found at the end of this checklist.
NOTE: The remainder of this checklist must be submitted in accordance with the implementations schedule.

☐ No. Continue with this checklist.

- ☒ Demonstration of site control or the ability to control the site, in the form of outright ownership, a contract of sale or an option to purchase the property

A general description of the site, including:

- ☒ Name and address of owner
- ☒ Subject property street location
- ☒ Subject property block(s) and lot(s)
- ☒ Subject property total acreage
- ☒ Indicate if urban center or workforce housing census tract
- ☒ Description of previous zoning
- ☒ Current zoning and date current zoning was adopted
- ☒ Tax maps showing the location of site(s) with legible dimensions (electronic if available)

A description of the suitability of the site, including:

- ☒ Description of surrounding land uses
- ☒ Demonstration that the site has street access
- ☒ Planning Area and/or Special Resource Area designation(s) e.g., PA1, PA2, PA3, PA4, PA5, CAFRA, Pinelands, Highlands, Meadowlands, etc., including a discussion on consistency with the State Development and Redevelopment Plan (SDRP) and/or other applicable special resource area master plans
- ☒ Demonstration that there is or will be adequate water capacity per N.J.A.C. 5:97-1.4 or that the site is subject to a durational adjustment per N.J.A.C. 5:97-5.4
- ☒ Demonstration that there is or will be adequate sewer capacity per N.J.A.C. 5:97-1.4 or that the site is subject to a durational adjustment per N.J.A.C. 5:97-5.4

A description (including maps if applicable) of any anticipated impacts that result from the following environmental constraints:

- ☒ Wetlands and buffers
- ☒ Steep slopes
- ☒ Flood plain areas
- ☒ Stream classification and buffers
- ☒ Critical environmental site
- ☒ Historic or architecturally important site/district
- ☒ Contaminated site(s); proposed or designated brownfield site

- ☒ Based on the above, a quantification of buildable and non-buildable acreage
- ☐ RFP or Developer's Agreement (To be submitted under separate cover)
- ☐ Construction schedule with a minimum provision to begin construction within two years of substantive certification; including timetable for each step in the development process (To be submitted under separate cover)
- ☐ Pro-forma statement for the project (To be submitted under separate cover)
- ☒ Demonstration that the first floor of all townhouse or other multi-story dwelling units are accessible and adaptable per N.J.A.C. 5:97-3.14
- ☒ Evidence of adequate and stable funding; including municipal bond and/or general revenue funds where applicable

Information and Documentation Required Prior to Marketing the Completed Units

- ☐ Resolution or executed contract designating an experienced Administrative Agent, and a statement of his/her qualifications, in accordance with N.J.A.C. 5:96-18
- ☐ Draft or adopted operating manual that includes a description of program procedures and administration or a statement indicating that the Administrative Agent designated to run the program uses a COAH-approved manual in accordance with UHAC
- ☐ An affirmative marketing plan in accordance with UHAC

**MUNICIPALLY SPONSORED AND 100 PERCENT AFFORDABLE DEVELOPMENTS
(N.J.A.C. 5:97-6.7)**

IMPLEMENTATION SCHEDULE

The implementation schedule sets forth a detailed timetable that demonstrates a "realistic opportunity" as defined under N.J.A.C. 5:97-1.4 and a timetable for the submittal of all information and documentation required by N.J.A.C. 5:97-6.

The timetable, information, and documentation requested below are required components of the implementation schedule.

Please note that all information and documentation requested below is required to be submitted to COAH no later than two years prior to the scheduled implementation of the mechanism. The fully completed checklist from above must be submitted at that time.

PROVIDE THE INFORMATION REQUESTED IN THE SECTIONS BELOW

(A) Development schedule, including, but not limited to, the following:

Development Process Action	Date Anticipated to Begin	Date Anticipated to be Completed	Date Supporting Documentation to be Submitted to COAH
Site Identification			Herein

RFP Process			
Developer Selection			
Executed Agreement with provider, sponsor or developer			
Development Approvals			
Contractor Selection			
Building Permits			
Occupancy			

(B) Site specific information, including the following:

Site Information	Date Supporting Documentation to be Submitted to COAH
Site Description	Herein
Site Suitability Description	Herein
Environmental Constraints Statement	Herein

(C) Financial documentation including, the following:

Financial Documentation	Date Anticipated to be Completed	Date Supporting Documentation to be Submitted to COAH
Documentation of Funding Sources	N/A	Herein
Project Pro-forma		

Municipal resolution appropriating funds or a resolution of intent to bond in the event of a shortfall of funds		Herein
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100% or Municipally Sponsored Narrative Section

The “Warren Avenue Site”, known as Block 62, Lot 11.01, is located in the westerly portion of the Borough of Spring Lake. The site consists of an area of approximately 9,350 square feet (0.22 acres). The subject site is bound by Warren Avenue to the south. The Borough currently owns the property; therefore the site has a clear title and is free of encumbrances. The Borough of Spring Lake purchased the property for \$645,000 in 2004. The site is also in a current Planning Area 1 according to the State Development and Redevelopment Plan (SDRP).

The subject site is proposed to contain a 4-unit 100% affordable housing project, consisting of family rentals. Of which one-unit will be dedicated to very low income household. Currently there is an existing older multi-family structure on the site, which will be demolished and replaced with a four-unit apartment. All the four units will be identical, each having two-bedrooms. Due to the small number of units required, the Borough requests a waiver from COAH’s Executive Director from the Uniform Housing Affordability Controls at N.J.A.C. 5:80-26 regarding the bedroom distribution.

The entire Borough, including the subject site, is currently serviced by public water and sewer. Sewage service is provided by the South Monmouth Sewer Authority and water supply is provided by New Jersey Water Supply Authority. There is adequate water and sewer capacity to serve these four units. As per NJDEP GIS data there were no wetlands, or Threatened & Endangered (T&E) species identified on the subjects site and its vicinity. In addition, there were no Category-One waterbodies identified on the subject site and its immediate vicinity.

The site is located in the General Commercial (GC) Zone with an overlay of the Affordable Housing Overlay Zone. The Borough adopted the Affordable Housing Overlay zone through Ordinance No. 20-

2006 in December 2006. In that multi-family residential rental units are a permitted use. The properties in the vicinity of the subject site are zoned General Commercial and R-2 Residential Single Family. Therefore the properties in the vicinity of the subject site contain residential as well as commercial uses. As the subject site is proposed to be comprised entirely of a residential land use, it would be compatible with the adjacent land uses. The subject site does not contain any identified historic or architectural resources. However, the New Jersey State and National Register notes the New York and Long Branch Railroad (ID#4354, SHPO Opinion: 8/20/2004), located in the immediate vicinity of the subject site, as a historic resource. Please note that the proposed affordable housing development will be compatible with this historic site and the surrounding buildings. Additionally, the proposed affordable housing project is not anticipated to cause any adverse impacts to the railroad site or any adjacent land uses.

The site has street access, existing sewer and water infrastructure and is located adjacent to compatible land uses. The subject site can easily accommodate the four-unit development. Based upon all of the information provided above, Block 62, Lot 11.01 qualifies as a "suitable site," as set forth within N.J.A.C. 5:97-1.4. A completed implementation schedule will be submitted under a separate cover.

¹ Pursuant to PL 2008 c.46, Very Low-Income bonuses may only be granted for very low-income units that exceed 13 percent of the of the housing units made available for occupancy by low-income and moderate income households.

§ 225-14.1. Affordable Housing Overlay Zone.

[Added 12-12-2006 by Ord. No. 20-2006]

- A. Purpose. The purpose of the Affordable Housing Overlay Zone is to provide an opportunity to develop affordable housing to meet present and prospective housing needs, with particular attention to low- and moderate-income housing, in conformance with the requirements of the New Jersey Council on Affordable Housing.
- B. The Affordable Housing Overlay Zone shall be applied to Block 62, Lot 11.01, for the sole purpose of providing affordable housing in accordance with the provisions of this section and the 2005 Housing Plan and Fair Share Plan.
- C. Principal permitted uses.
 - (1) Multifamily residential, rental unit in accordance with the Council on Affordable Housing provisions.
- D. Accessory uses.
 - (1) Off-street parking facilities.
 - (2) Fences in accordance with the standards of § 225-18.
- E. Area, yard and building requirements. Requirements for multifamily residential buildings shall be the same as those provided for residential uses within the GC Zone; however, the minimum side yard requirements shall be a combined total of 25 feet, the maximum square foot per dwelling shall be 750 square feet, the maximum number of units shall be four, and the maximum gross floor area for a principal use shall be 3,500 square feet.
 - (1) Minimum lot area: 7,500 square feet.
 - (2) Minimum lot frontage: 50 feet.
 - (3) Minimum lot width: 50 feet.
 - (4) Minimum lot depth: 150 feet.
 - (5) Minimum side yard: combined total of 25 feet.
 - (6) Front yard: 20 feet.
 - (7) Minimum rear yard: 30 feet.
 - (8) Maximum building coverage: 50%.
 - (9) Maximum impervious coverage: 50%.
 - (10) Maximum gross floor area: 3,500 square feet.

- F. Parking standards. Multifamily dwellings shall provide two parking stalls per dwelling unit. Under the Residential Site Improvement Standards, Section 5.21-4.14 (c), alternative parking standards shall be accepted if the applicant demonstrates that other standards better reflect local conditions. Factors affecting minimum number of parking spaces include household characteristics, availability of mass transit, urban versus suburban location, and available off-street parking resources.
- G. Consistent with the requirement of N.J.A.C. 5:80-26.3(a), at least half of the units shall be available to low-income households; the balance may be affordable to either low- or moderate-income households.
- H. Fifty percent of the residential units shall be age-restricted, meaning housing designated to meet the needs of, and exclusive for, the residents of an age-restricted segment of the population where the head of the household is a minimum age of either (a) 62 years, or (b) 55 years and meets the provisions of 42 USCS § 3601 et seq., except that due to death a remaining spouse of less than 55 years of age shall be permitted to continue to reside.
- I. All dwelling units shall be affirmatively marketed in accordance with the Council on Affordable Housing regulations. All rental units shall be rented in accordance with the Council on Affordable Housing regulations.
- J. In accordance with N.J.A.C. 5:94-4.21, as of October 1, 2006, the Fair Housing Act requires that the first floor of all multifloor dwellings must be adaptable for use by physically disabled persons in order to be eligible for COAH credit.

MAY 27 2004

This Deed is made on May 20th, 2004

DEED

BETWEEN C. JAMES GABRIEL
whose address is P.O. Box 4241
Brick, NJ 08723

referred to as the Grantor,

AND BOROUGH OF SPRING LAKE, A MUNICIPAL CORPORATION

whose address is 423 Warren Avenue
Spring Lake, NJ 07762

referred to as the Grantee.

The words "Grantor" and "Grantee" shall mean all Grantors and all Grantees listed above.

1. Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) the property (called the "Property") described below to the Grantee. This transfer is made for the sum of **SIX HUNDRED FORTY-FIVE THOUSAND AND 00/100 (\$645,000.00) DOLLARS.**

The Grantor acknowledges receipt of this money.

2. Tax Map Reference. (N.J.S.A. 46:15-1) Municipality of Spring Lake

Block No. 62

Lot No. 11.01

Qualifier No.

Account No.

☐ No lot and block or account number is available on the date of this Deed. (Check Box if Applicable.)

3. Property. The Property consists of the land and all the buildings and structures on the land in the BOROUGH of SPRING LAKE County of MONMOUTH and State of New Jersey. The Legal description is:

☒ Please see attached Legal Description annexed hereto and made a part of hereof. (Check Box if Applicable.)

BEING AND INTENDED TO BE the same premises conveyed by Deed from HARRIET C. GABRIEL to HARRIET C. GABRIEL, as owner of a 99% interest, and C. JAMES GABRIEL, as owner of a 1% interest, tenants in common, dated August 22, 1995, and Recorded in the Monmouth County Clerk's Office on August 25, 1995, in Deed Book 5437, Page 684; AND

Deed from HARRIET C. GABRIEL, as owner of a 99% interest to C. JAMES GABRIEL, dated January 16, 1997, and Recorded in the Monmouth County Clerk's Office on February 5, 1997, in Deed Book 5573, Page 722

Prepared by:

Edward C. McGill

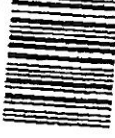
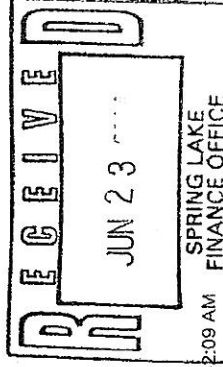
(print signer's name below signature)
EDWARD C. MCGILL, ESQ.

(For Recorder's Use Only)

VS-129507

MID-STATE ABSTRACT COMPANY

207 Hooper Avenue
P.O. Box 413
Toms River, NJ 08754
(732) 244-3000



457087

COUNTY OF MONMOUTH

CONSIDERATION

RTF 645,000.00 RTF

DATE 6/10/04 BY NJ

SUBJECT TO covenants, restrictions, easements and rights of way of Record; zoning ordinances and regulations affecting the use of the property; and such state of facts as an accurate survey would disclose.

CLAIRE FRENCH, CTY CLK
MONMOUTH COUNTY, NJ

INSTRUMENT NUMBER
2004127118

RECORDED ON
Jun 10, 2004
1:11:31 PM
BOOK: OR-8370
PAGE: 5553

Total Pages: 4

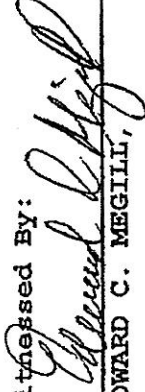
MUNTY RECORDING \$70.00
FES
TOTAL \$70.00

The street address of the Property is: 418-420 Warren Avenue
Spring Lake, NJ 07762

4. Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the Property. This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6). This promise means that the Grantor has not allowed anyone else to obtain any legal rights which affects the Property (such as by making a mortgage or allowing a judgment to be entered against the Grantor).

5. Signatures. The Grantor signs this Deed as of the date at the top of the first page. (Print name below each signature.)

Witnessed By:


EDWARD C. MEGILL,


C. JAMES GABRIEL

(Seal)

(Seal)

STATE OF NEW JERSEY, COUNTY OF OCEAN SS.

I CERTIFY that on May 20, 2004

C. JAMES GABRIEL,

Personally came before me and stated to my satisfaction that this person (or if more than one, each person):

(a) was the maker of this Deed;

(b) executed this Deed as his or her own act; and,

(c) made this Deed for **\$645,000.00** as the full and actual consideration paid or to be paid for the transfer of title.
(Such consideration is defined in N.J.S.A. 46:15-5.)



EDWARD C. MEGILL, ESQ.
ATTORNEY-AT-LAW OF NEW JERSEY

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REVISED SCHEDULE A
DESCRIPTION OF LAND

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND, WITH THE BUILDINGS AND IMPROVEMENTS THEREON ERECTED, SITUATE, LYING AND BEING IN THE BOROUGH OF SPRING LAKE, COUNTY OF MONMOUTH AND STATE OF NEW JERSEY;

BEING KNOWN AND DESIGNATED AS A PORTION OF LOT 9 AS SHOWN ON A CERTAIN MAP ENTITLED "GROUND PLAN SPRING LAKE BEACH", WHICH MAP WAS FILED IN THE MONMOUTH COUNTY CLERK'S OFFICE ON MAY 16, 1878 IN CASE 41, SHEET 2.

PREMISES BEING MORE PARTICULARLY DESCRIBED IN ACCORDANCE WITH A SURVEY MADE BY THOMAS H. STUART, JR., P.L.S., DATED JULY 30, 1990 AND REVISED TO MAY 15, 2004 AS FOLLOWS:

BEGINNING AT A POINT MARKING THE INTERSECTION OF THE NORTHERLY SIDE LINE OF WARREN AVENUE WITH THE EASTERLY SIDE LINE OF PREMISES NOW OR FORMERLY CONRAIL AND FROM SAID POINT AND PLACE OF BEGINNING, RUNNING;

1. NORTH 17 DEGREES 45 MINUTES 40 SECONDS EAST ALONG THE DIVIDING LINE BETWEEN LOT 11.01 IN BLOCK 62 AS SHOWN ON THE PRESENT TAX ASSESSMENT MAP OF THE BOROUGH OF SPRING LAKE AND THE EASTERLY LINE OF PREMISES NOW OR FORMERLY CONRAIL, 150.30 FEET TO A POINT;
2. SOUTH 68 DEGREES 38 MINUTES EAST, 67.05 FEET TO A POINT IN THE DIVIDING LINE BETWEEN LOTS 11.01 AND 13.01 IN SAID BLOCK 62;
3. ALONG SAID DIVIDING LINE SOUTH 21 DEGREES 22 MINUTES WEST, 150.00 FEET TO A POINT IN THE NORTHERLY SIDE LINE OF WARREN AVENUE;
4. ALONG THE SAME NORTH 68 DEGREES 38 MINUTES WEST, 57.61 FEET TO THE POINT AND PLACE OF BEGINNING.

KNOWN AS LOT 11.01 IN BLOCK 62 AS SHOWN ON THE BOROUGH OF SPRING LAKE TAX MAP.

CS

MID-STATE ABSTRACT COMPANY, 207 HOOPER AVENUE, P.O. BOX 413, TOMS RIVER, NEW JERSEY 08754
PHONE (732) 244-3000 - FAX (732) 244-3924

TITLE NO. - MS-139407

GABRIEL / SPRING LAKE BOROUGH

WALTER W. SCHOENEWOLF ESQUIRE

263 DRUM POINT ROAD

P.O. BOX 488

BRICK, NEW JERSEY 08723

1R1B

5962 Mid-state
Atty. in fact

STATE OF NEW JERSEY

AFFIDAVIT OF CONSIDERATION

(Chapter 49, P.L. 1968, as amended by Chapter 176, P.L. 1975; Chapter 225, P.L. 1985; Chapter 113, P.L. 2003)
To be recorded with deed pursuant to Chapter 49, P.L. 1968, as amended by Chapter 308, P.L. 1991 (N.J.S.A. 46:15-5 et seq.),
BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY OF OCEAN

FOR RECORDER'S USE ONLY

Consideration
Realty Transfer Fee \$ 92.50 *
Date 6/10/04 By [Signature]

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (See Instructions # 3, 4, and 5 on reverse side)

Deponent, STEPHEN M. ARBACHESKY being duly sworn according to law upon his/her oath,

(Name)

deposes and says that he/she is the V.P. - MID-STATE ABSTRACT COMPANY in a deed dated MAY 20, 2004
(Grantor, Grantee, Legal Representative, Corporate Officer, Officer of Title Co., Lending Institution, etc.)transferring real property identified as Block number 62 Lot number 11.01
located at 418-420 WARREN AVENUE, SPRING LAKE BOROUGH, MONMOUTH COUNTY and annexed thereto.
(Street Address, Municipality, County)

(2) CONSIDERATION (See Instruction #6 on reverse side)

\$ 645,000.00

(3) FULL EXEMPTION FROM FEE (See Instruction #7 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by Chapter 49, P.L. 1968, and amended by Chapter 113, P.L. 2003, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.

TRANSFER TO THE BOROUGH OF SPRING LAKE (A MUNICIPALITY)

(4) PARTIAL EXEMPTION FROM FEE (See Instructions #8 and #9 on reverse side)

NOTE: All boxes below apply to grantor(s) only.
ALL BOXES IN APPROPRIATE CATEGORY
MUST BE CHECKED. Failure to do so will void
claim for partial exemption.

Deponent claims that this deed transaction is exempt from the increased portion of the Realty Transfer Fee imposed by Chapter 176, P.L. 1975, as amended by Chapter 113, P.L. 2003 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) ☐ 62 years of age or over.*
B. { BLIND PERSON Grantor(s) ☐ legally blind or;
DISABLED PERSON Grantor(s) ☐ permanently and totally disabled ☐ Receiving disability payments ☐ Not gainfully employed*

(See Instruction #8 on reverse side for A or B)

Senior citizens, blind or disabled persons must also meet all of the following criteria.

- ☐ Owned and occupied by grantor(s) at time of sale. ☐ Resident of the State of New Jersey.
☐ One or two-family residential premises. ☐ Owners as joint tenants must all qualify.

*IN THE CASE OF HUSBAND AND WIFE ONLY ONE GRANTOR NEEDS TO QUALIFY IF OWNED AS TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING (See Instruction #8 on reverse side)

- ☐ Affordable according to H.U.D. standards. ☐ Reserved for occupancy.
☐ Meets income requirements of region. ☐ Subject to resale controls.

D. NEW CONSTRUCTION (See Instruction #9 on reverse side)

- ☐ Entirely new improvement. ☐ Not previously occupied.

☐ Not previously used for any purpose.

Deponent makes this Affidavit to induce the county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968 as amended by Chapter 113, P.L. 2003.

Subscribed and sworn to before me
this 26TH day of MAY, 2004

[Signature]
Signature of Deponent
207 HOOPER AVENUE,
TOMS RIVER, NJ

C. JAMES GABRIEL
Name of Grantor
P.O. BOX 4241, BRICK, NJ
Address of Grantor at Time of Sale

CHARLES F. ARBACHESKY
A NOTARY PUBLIC OF NEW JERSEY
MY COMMISSION EXPIRES 9-14-2007

FOR OFFICIAL USE ONLY

Instrument Number _____ County _____
Deed Number _____ Book _____ Page _____
Deed Dated _____ Date Recorded _____

APPENDIX C

AFFORDABLE HOUSING SITE MAP

Motion by Councilwoman Venables, seconded by Councilman Erbe, that the Consent Agenda be approved. The Mayor put the motion and on roll call Council Members Rizzo, Quinn, Erbe, Venables and Patterson voted aye. None no. The Mayor declared the motion carried.

APPROVED: _____

Mayor

ENGINEER'S REPORT

Charles Rooney, T&M Associates, gave a report on current projects. A Workshop Session was scheduled for Monday, September 18, 2006 at 6:30 P.M. to discuss the Ocean Avenue Pedestrian Safety Program.

OLD BUSINESS

A. RESOLUTION NO. 129, APPOINTING MUNICIPAL HOUSING LIAISON

WHEREAS, the governing body of Spring Lake Borough petitioned the Council on Affordable Housing (COAH) for substantive certification of its Housing Element and Fair Share Plan on November 4, 2005; and,

WHEREAS, Spring Lake Borough's Fair Share Plan promotes an affordable housing program pursuant to the Fair Housing Act (N.J.S.A. 52:27D-301, et. seq.) and COAH's Third Round Substantive Rules (N.J.A.C. 5:94-1, et. seq.); and,

WHEREAS, pursuant to N.J.A.C. 5:94-7 and N.J.A.C. 5:80-26.1 et. sec., Spring Lake Borough is required to appoint a Municipal Housing Liaison for the administration of Spring Lake Borough's affordable housing program to enforce the requirements of N.J.A.C. 5:94-7 and N.J.A.C. 5:80-26.1 et. seq.; and,

WHEREAS, Spring Lake Borough has amended its Borough Code, by ordinance to provide for the appointment of a Municipal Housing Liaison to administer Spring Lake Borough's affordable housing program.

NOW THEREFORE BE IT RESOLVED, by the Borough Council of the Borough of Spring Lake in the County of Monmouth, and the State of New Jersey that Mary Anne Coogan is hereby appointed by the Governing Body of the Borough of Spring Lake as the Municipal Housing Liaison for the administration of the affordable housing program, pursuant to and in accordance with the various applicable provisions of the Borough of Spring Lake's Municipal Code.

Motion by Councilman Erbe, seconded by Councilman Quinn, that Resolution No. 129 be approved. The Mayor put the motion and on roll call Council Members Rizzo, Quinn, Erbe, Venables and Patterson voted aye. None no. The Mayor declared the motion carried.

APPROVED: _____

Mayor

APPENDIX E

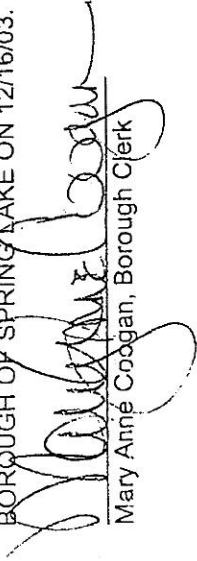
**RCA AGREEMENT BETWEEN THE BOROUGH OF SPRING
LAKE AND THE CITY OF ASBURY PARK**

Resolution No. 164
December 16, 2003

RESOLUTION

BE IT RESOLVED by the Mayor and Council of the Borough of Spring Lake that the Mayor and Clerk are here authorized to sign the "Regional Contribution Agreement Between The Borough of Spring Lake And The City of Asbury Park"

I HEREBY CERTIFY THE FOREGOING TO BE
A TRUE COPY OF A RESOLUTION ADOPTED
BY THE MAYOR AND COUNCIL OF THE
BOROUGH OF SPRING LAKE ON 12/16/03.

A handwritten signature in dark ink, appearing to read "Mary Anne Coogan", written over a horizontal line.

Mary Anne Coogan, Borough Clerk

**REGIONAL CONTRIBUTION AGREEMENT BETWEEN THE
BOROUGH OF SPRING LAKE AND THE CITY OF ASBURY PARK**

THIS AGREEMENT is made on the 16 day of December, 2003, by and between the Borough of Spring Lake, a municipal corporation of the State of New Jersey, whose principal offices are located at Fifth and Warren Avenues, Spring Lake, New Jersey 07762 (hereinafter referred to as "sending municipality") and the City of Asbury Park, a municipal corporation of the State of New Jersey whose principal offices are located at One Municipal Plaza, Asbury Park, New Jersey 07712 (hereinafter referred to as "receiving municipality").

WHEREAS, the Fair Housing Act, N.J.S.A. 52: 27D-301 to 329, allows two (2) municipalities to enter into a contractual agreement, known as a regional contribution agreement (RCA), for the transfer of up to fifty (50%) percent of a sending municipality's fair share obligation to a receiving municipality within its housing region; and

WHEREAS, both of said municipalities believe that the execution of this RCA will be beneficial to the residents of their respective communities and the housing region; and

NOW THEREFORE, in consideration of the premises herein set forth, and the mutual covenants and promises herein contained, the parties do, by and between themselves, agree as follows:

Article 1. TRANSFER OF HOUSING OBLIGATION

The receiving municipality hereby agrees to accept, and the sending municipality agrees to transfer fourteen (14) low and moderate income units. The sending municipality has a fair share number of twenty eight (28) and the above number combined with other approved or proposed RCAs is equal to or less than fifty (50%) percent of the sending municipality's fair share obligation. The receiving municipality agrees to apply the funds to be paid to it hereunder so as to create or rehabilitate at least fourteen (14) units of low and moderate income housing; at least half of these units (seven (7)) will be affordable to low income households. In the case of scattered site rehabilitation of occupied units, the receiving community will ensure, as best as practicable, that fifth (50%) percent of the rehabilitated units are occupied by low income households.

Article 2. SENDING MUNICIPALITY'S RESPONSIBILITIES

The sending municipality agrees to pay, and the receiving municipality agrees to accept the sum of \$25,000 per unit transferred in payments totaling \$350,000 which will be made no later than five (5) years after the effective date of this Agreement.

- 2.1 Payments will be made according to the following schedule in the following amounts:
- (A) 1st payment 120 days after the effective date of this Agreement of \$175,000
- (B) 2nd payment 365 days after first payment of \$175,000
- 2.2 The above stated payments and payment schedule are the responsibility of the sending municipality and will be paid in accordance with the above schedule regardless of any anticipated source of funding, such as developer fees.
- 2.3 The sending municipality will obtain any and all financing necessary to fulfill its obligation to make the payments set forth above to the receiving municipality.
- 2.4 The parties acknowledge that the sending municipality's payments to the receiving municipality as set forth above include payment on a per unit basis to defray costs of administration as allowed by the rules of the Council On Affordable Housing (COAH) and other reasonable and necessary expenses, including the cost of infrastructure, incurred by the receiving municipality in connection with this Agreement and that said amount is within COAH guidelines for such costs.
- 2.5 The sending municipality is responsible for obtaining substantive certification of its housing element and fair share plan from COAH as provided under the Fair Housing Act and has done so, of which these fourteen (14) units and this RCA are a part of such certification.

Article 3. RECEIVING MUNICIPALITIES RESPONSIBILITIES

- 3.1 The City of Asbury Park would receive RCA Recipient Certification from COAH on . The RCA Recipient Certification, A three-year renewable alternative to a project by project approval of a municipality's project plan, is for the following classes of housing activity:
- The rehabilitation of owner-occupied single and two family units of existing substandard buildings at scattered site locations throughout the City, which rehabilitations shall meet all requirements for such work established by COAH.

COAH'S Recipient Certification Approval relied on the recommendation of approval from the New Jersey Housing and Mortgage Finance Agency (HMFA) and the Monmouth County Planning Board. Once a municipality has been certified in a category, it will be considered to have an approved project plan in that category during

the three-year RCA certification period. The receiving municipality must file with COAH, the Monmouth County Planning Board and the HMFA a summary of each project for which RCA funds will be expended when the project has been identified. The summary should include:

- i. brief project description including address and number of units;
- ii. total development costs and breakdown of financing;
- iii. estimated start date and
- iv. project completion date

If the City of Asbury Park chooses to expend RCA funds on a project outside of its certified housing category, a formal project plan approval must be obtained from COAH, HMFA and the Monmouth County Planning Board.

Any change in the administration of the program subsequent to approval by HMFA must be reviewed by the Executive Director of HMFA when requested by COAH, for determination as to whether a new feasibility analysis and approval is required.

- 3.2 The receiving municipality will apply to the appropriate agencies for all governmental approvals, whether municipal, county/state and/or federal.
- 3.3 The receiving municipality may apply for appropriate grants in aid which may be available. Any monies realized through such grants will not affect the amount of the sending municipality's contribution.
- 3.4 For scattered site rehabilitation of occupied units, the receiving municipality will expend a minimum of \$8,000 per unit in hard costs to repair/replace a major system(s) with an average \$20,000 per unit in hard costs.
- 3.5 The receiving municipality will submit all semi-annual monitoring reports required by COAH in a timely manner.
- 3.6 The receiving municipality will establish a separate interest-bearing escrow account for all monies received pursuant to the RCA. This escrow agreement will permit COAH to effectively monitor disbursements of the funds received pursuant to the RCA. This account will be monitored on a quarterly basis.
- 3.7 The receiving municipality will submit annually to COAH and HMFA, its municipal audit, signed by the Mayor, showing the disbursement of all RCA funds.

- 3.8 All interest generated from the RCA funds and retained by the receiving municipality may only be utilized for eligible housing activity under COAH rules or to offset inflation and generally may not be used to exceed the twenty (20%) percent cap on administration.
- 3.9 The receiving municipality agrees to designate an administrative entity to assure that the applicable affordability controls will be maintained over time.
- 3.10 It is agreed that the receiving municipality's obligations pursuant to this Article is not limited to the above. The receiving municipality agrees that it will complete the project pursuant to this Agreement in accordance with the regulations of COAH.

Article 4. CREDIT TO HOUSING OBLIGATION

The receiving municipality agrees that it will not claim credit toward its own housing obligation for any low or moderate income RCA unit, as defined by the Fair Housing Act, but that all such credit will inure to the benefit of the sending municipality. All RCA units will be permanently identified in the appropriate records of the receiving municipality as having been rehabilitated or created to meet the fair share obligation of the sending municipality.

Article 5. EXCESS FUNDS

Transferred funds in excess of the amount necessary to implement this Agreement will be returned to the sending municipality according to N. J. A. C. 5:93-6.2e. In no instance shall the transferred and contract amount of \$25,000 per unit be considered excess funds and returnable.

Article 6. CONTINGENCIES

This Agreement is contingent upon completion of the following: COAH granting of substantive certification to the Borough of Spring Lake, which has occurred.

Article 7. EFFECTIVE DATE

This Agreement is considered a contractual agreement and will become effective upon the granting of substantive certification by COAH to the housing element and fair share plan of the Borough of Spring Lake, which has occurred.

This Agreement will be executed no later than thirty (30) days after the sending municipality, the Borough of Spring Lake, receives substantive certification from COAH with respect to its Housing Element and Fair Share Plan.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals,
this month, day and year first above written.

ATTEST:


Mary Aine Coogan, Township Clerk
Dated: 12/6/03

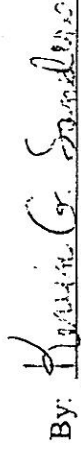
BOROUGH OF SPRING LAKE

By: 
Thomas J. Byrne III, Mayor

ATTEST:


Stephen M. Kay, City Clerk
Dated: 12/5/03

CITY OF ASBURY PARK

By: 
Kevin G. Sanders, Mayor

APPENDIX F

**SETTLEMENT AGREEMENT BETWEEN THE BOROUGH OF
SPRING LAKE AND ESSEX AND SUSSEX ASSOCIATES**

SETTLEMENT AGREEMENT



THIS AGREEMENT, entered into this 3rd day of November, 1997 by and between the Borough of Spring Lake, with offices located at Fifth and Warren Avenues, Spring Lake, New Jersey ("the Borough"), the Planning Board of the Borough of Spring Lake, with offices located at Fifth and Warren Avenues in Spring Lake, New Jersey ("the Planning Board"), and Essex and Sussex Associates, L.P., with offices located at 5 Marine View Plaza, Suite 500, Hoboken, New Jersey 07030 ("Essex and Sussex"), -

WITNESSETH

WHEREAS, the Borough is a municipal corporation of the State of New Jersey; and

WHEREAS, the Planning Board is a corporate body politic of the State of New Jersey vested with those duties, powers and responsibilities delegated by virtue of the Municipal Land Use Law (N.J.S.A. 40:55D-1, et seq); and

WHEREAS, Essex and Sussex is the owner of certain real property located in the Borough, and commonly referred to as "*The Essex and Sussex Hotel*", located on the premises designated as Block 43, Lots 1-18, on the Borough's official tax map (hereinafter referred to as "*The Essex and Sussex Hotel or the 'premises'*"); and

WHEREAS, Essex and Sussex has instituted litigation against the Borough and Planning Board entitled "*Essex and Sussex Associates v. Borough of Spring Lake, et al.*", Docket No. MON-L-2136-95 ("*the Litigation*"); and

WHEREAS, Essex and Sussex has proposed to redevelop The Essex and

Sussex Hotel, which has been vacant for more than ten (10) years, for senior citizens - common services residence, consisting of 168 living units, ("the units") a common dining room providing three meals per day, with housekeeping and concierge services (the "common services use"); and

WHEREAS, Essex and Sussex has alleged in the Litigation that the Borough has failed to comply with the constitutional obligation set forth by the New Jersey Supreme Court in Southern Burlington County NAACP v. Township of Mt. Laurel, 67 N.J. 151 (1975) and 92 N.J. 158 (1983) ("Mt. Laurel I and Mt. Laurel II"); and

WHEREAS, Essex and Sussex has furthermore sought a builder's remedy in the Litigation which would require the Borough to re-zone The Essex and Sussex Hotel to provide for a congregate use to include a set aside of fifteen (15) percent of the units for low and moderate income occupancy; and

WHEREAS, the Court has appointed a Special Master to advise the Court and assist in the management of the Litigation; and

WHEREAS, the parties to the litigation have submitted various reports to the Special Master, and have conferred with the Special Master on several occasions in connection with the Litigation; and

WHEREAS, the parties to this Agreement are desirous of resolving the Litigation on an amicable basis, without the delay, cost, burden and the uncertainty of further proceedings; and

WHEREAS, the Borough wishes to address its entire fair share and is willing to allow Essex and Sussex to participate in its comprehensive response to its entire

fair share in accordance herewith; and

WHEREAS, the parties are furthermore desirous of providing for the redevelopment of The Essex and Sussex Hotel for a common services use as herein defined in a manner consistent with sound zoning and planning principles, and consistent with the Borough's fair share affordable housing obligation; and

WHEREAS, Essex and Sussex has proposed to develop the subject property as a luxury use; and the Borough has concluded that such luxury use is in the best interest of the community.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein set forth, the parties hereto agree as follows:

1. The Borough shall, within sixty (60) days of the date of this Agreement, take final action on the question of the adoption or disapproval of an amendment to the land use ordinance of the Borough of Spring Lake, which shall be substantially in conformance with the terms of the proposed amendment attached hereto and incorporated herein, as Exhibit "A" ("the Zoning Amendment"). The Borough agrees that it shall introduce, advertise, conduct a public hearing and otherwise comply with applicable procedural requirements established by law, prior to such final action.

2. The Planning Board shall, within forty-five (45) days of the date of this Agreement, review the amendment attached hereto as Exhibit "A", and make a recommendation, pursuant to N.J.S.A. 40:55D-64, with respect to its adoption to the Borough Council prior to action by the Borough Council on adoption of the Zoning Amendment. In addition, the Planning Board shall, within such forty-five (45) day period, and after public notice as required by law, conduct a public hearing and either

approve or disapprove an amendment to the land use element of the master plan of the Borough, which shall provide for the development of The Essex and Sussex Hotel as a common services residence for senior citizens, with a density which shall not exceed 168 units ("the Units"), and which shall be otherwise consistent with the conceptual site plan prepared by Kanalstein, Danton & Johns dated May 27, 1997, and attached hereto as Exhibit "C" and "D", and the Preliminary Major Site Plan of Essex/Sussex Hotel, Block 43, Lots 1-18, Borough of Spring Lake, Monmouth County, New Jersey (consisting of seven sheets signed by John Truhan, P.E., P.P., dated November 11, 1994 and November 15, 1994), attached as Exhibit "E", and those conditions imposed on the common services use under the terms of this Agreement.

3. The parties hereto acknowledge that the amendments to the Borough's land use ordinance and master plan, described in Paragraphs 1 and 2 aforesaid, are intended to permit the redevelopment of the Essex and Sussex Hotel as a common services residence for senior citizens, with 168 units, a communal dining room from which three meals a day, seven days a week, must be provided and for which the residents must pay as part of their monthly charge, and with housekeeping and concierge services, with provision for 150 parking spaces.

4. The Planning Board shall, in addition, within such forty-five (45) day period, and after public notice, as required by law, consider action upon the adoption of the housing element and land use element of the Borough's master plan attached hereto as Exhibit "B". The housing element includes a compliance plan (*hereinafter the "compliance plan"*) which shall provide as follows:

- a. That the Borough Council shall adopt a development fee

ordinance and a housing trust fund ordinance, the terms of which shall be acceptable to the Special Master, and that Essex and Sussex shall contribute \$420,000.00 to the housing trust fund (*"the housing trust fund"*) to be established by the housing trust fund ordinance. Such sum shall be paid to the housing trust fund in accordance with the following schedule: (i) 50% upon the issuance of first construction permit to Essex and Sussex for the redevelopment of The Essex and Sussex Hotel for senior citizen common services use as may be authorized by such construction permit ; (ii) 50% upon the issuance of the first certificate of occupancy necessary for occupancy of the building for the common services use or within two years of the date of the adoption of a resolution by the Planning Board, granting final site plan approval for the common services use of the Essex and Sussex Hotel, whichever shall first occur.

b. That the contribution described in paragraph (a) of this section shall, based upon the unique facts and circumstances of this case, fully satisfy the obligation of Essex and Sussex to provide a "substantial amount" of low and moderate income housing, attributable to the redevelopment of The Essex and Sussex Hotel. The fund shall be utilized as follows: (1) the \$280,000.00 of the fund shall be deposited in the housing trust fund to be applied by the Borough to fund the transfer of fourteen (14) low and moderate income units to a receiving municipality under a Regional Contribution Agreement to be entered into by the Borough in accordance with regulations of the Council on Affordable Housing; and (2) \$140,000.00 of the fund shall be used to fund an indigenous need program to rehabilitate fourteen (14) units of physically substandard housing units, occupied low and moderate income households, at an average expenditure of \$10,000 per unit, to meet the housing needs

of low and moderate income households residing in the Borough.

c. In addition to the housing element, the Borough shall submit to the Court for its approval a spending plan (*the "spending plan"*) in accordance with the standards established by the Council on Affordable Housing for funds in the housing trust fund, including funds to be contributed by Essex and Sussex, funds collected from property owners who secured exemptions from the scarce resources restraint imposed by the Court, and funds collected under the development fee ordinances. Preparation, presentation to the Court, and implementation of this spending plan shall be solely the responsibility of the Borough and not that of Essex and Sussex. The spending plan need not identify or include an executed agreement with a particular receiving municipality for the Regional Contribution Agreement, but may provide that the Borough will identify and execute an agreement with an eligible municipality within 180 days after the entry of a judgment of repose, or such other period as the Court may specify.

5. The parties agree that subject to the entry of a judgment of repose, otherwise provided for herein, the adoption and implementation of the housing element compliance plan included in Exhibit "B" and the spending plan shall fully satisfy the Borough's constitutional obligation to provide for its fair share of affordable low and moderate income housing, pursuant to *Mount Laurel I* and *Mount Laurel II* and the Fair Housing Act (*N.J.S.A 52:27D-301 et. seq.*) and other applicable laws. Upon the effective date of the zoning ordinance amendments, Essex and Sussex may apply for preliminary or final, or combined preliminary and final, site plan approval in conformance with the conceptual site plan, perimeter landscape plan, and previous

site plan as set forth and attached hereto as Exhibits "C", "D" and "E". It is understood that Exhibits "C" and "D" are conceptual in nature, and that "E" does not necessarily reflect perimeter screening and parking standards imposed by this Agreement, and that when a fully engineered site plan is developed for approval by the Planning Board, physical features of the site plan improvements shown on such fully engineered site plan may vary in detail from those plans. Additionally, the Planning Board shall have the right to require walls and landscaping to screen the off-street parking areas consistent with the ordinance. The general terms and conditions of such fully engineered site plan shall, however, otherwise be consistent with the conceptual plan attached hereto as Exhibit "C" and "D" and the site plan attached hereto as Exhibit "E". The plan will conform to the standards in the Uniform Residential Site Improvement Standards, except as to drainage and the size of parking spaces. The details of such fully engineered site plan shall be subject to the reasonable review and approval of the Planning Board.

7. Essex and Sussex shall submit all application plans, fees and escrow funds and architectural floor plan including architectural floor plans of the units and the proposed accessory uses to the Planning Board in accordance with the Borough's duly adopted ordinances and Planning Board procedures, and shall comply with Borough standards and practices, except to the extent same are affected by this Settlement Agreement, or the ordinances adopted as a result thereof.

8. The Planning Board shall make good faith efforts to expedite action upon applications for development approvals submitted by Essex and Sussex, including the scheduling of special meetings, but in any event shall make its determination of

whether the application is complete within thirty (30) days of submission, and shall complete its hearings on the application, and shall take final action on such application not more than ninety (90) days from the date that such application shall be declared complete by the Board's Administrative Officer, provided that Essex and Sussex complies with reasonable requests by the Planning Board for additional information. Any dispute as to whether a request for information is reasonable or whether Essex and Sussex' response has been timely shall be determined on an expedited basis by the court-appointed Special Master. If special meetings are held by the Planning Board with the consent of Essex and Sussex, Essex and Sussex shall pay the reasonable fees charged by professionals retained by the Planning Board in connection with this matter for attendance at such special meetings. In determining when special meetings shall be scheduled, it shall be recognized that the Planning Board consists of unpaid individuals.

9. The Planning Board shall not require Essex and Sussex to construct or pay for any off-site improvements or pay development fees or linkage fees related to this development application, except as provided for in this Agreement. Essex and Sussex shall be responsible for reasonable fees for any connections to the public water and sewer systems, at the same rate as other similar uses. Based upon the review of Exhibit "D" by Mr. Birdsall, as documented in the review letter dated December 23, 1994 (Exhibit "F"), and the clarifying letter of John Truhan dated March 21, 1995 (Exhibit "G"), neither party is aware of any off-site infrastructure that will be necessitated by redevelopment of the Essex and Sussex. Essex and Sussex will be responsible for its fair share of the reasonable cost of any unforeseen off-site

and Sussex has a reasonable expectation in view of its status as a plaintiff entitled to relief pursuant to Mount Laurel II at 279-80 that the Borough and Planning Board will cooperate with the development and that unresolved issues should be resolved in a manner consistent with that status. The Borough and Planning Board have a reasonable expectation in view of the fact that the Agreement contemplates a luxury development that unresolved issues should be resolved in a manner consistent with the luxury use contemplated.

11. It is specifically understood and agreed that the redevelopment and use and occupancy of the Essex and Sussex Hotel as a Senior Citizen Common Services use residence shall be subject to the following conditions:

- a. That no more 168 living units, each unit consisting of no more than two bedrooms, a bathroom, and a living room with limited kitchen facilities, shall be located or occupied on the premises.
- b. That no individual less than 62 years of age shall reside on the premises, except for the spouse of a resident who is 62 years of age or older.
- c. That no kitchen facilities shall be installed or permitted to be installed by Essex and Sussex in any of the living units located on the premises except for a sink, a non-convection microwave oven, and a refrigerator which has a volume that does not exceed eight (8) cubic feet. All such kitchen facilities shall be installed by Essex and Sussex. The

installation of stove tops and/or stove burners is specifically prohibited in any of the living units. No clothes washers or dryers shall be installed or permitted to be installed in any living unit except the two - bedroom units and the one penthouse unit permitted on the premises.

d. None of the facilities located or to be located on the premises shall be used for the preparation or service of food or beverage to or for anyone except residents of the common services use or the guest of a resident while in the company of a resident. Parties, banquets, weddings or wedding receptions, or any type of catered event anywhere on the premises are specifically prohibited except where a resident of a living unit is the honoree in connection with any such event (which such events are hereinafter referred to as "honoree events"). No more than 25 honoree events that may be attended by 75 or more people, shall be permitted on the premises in any one calendar year.

e. The parties mutually recognize that it is the intent of this Agreement to preclude the use of a dining facility or other facilities of the premises for the general public. It is the intent of the parties that such dining and other facilities shall be used exclusively for the benefit of the residents or

guests of a resident in the immediate company of a resident. Accordingly, the sale and/or distribution of any alcoholic beverages to any individual except to a resident of a living unit or the guest of a resident (who is over the age of 21) while in the company of a resident anywhere on the premises shall be specifically prohibited. Upon renewal, the Plenary Retail Consumption License No. 1348-33-008-005 shall contain the following condition:

"This license is restricted to the sale and service of alcoholic beverages only to the residents of a living unit in the Essex and Sussex or to a bona fide guest of such resident while in the actual company of the resident. The license is additionally conditioned that there shall be no bar other than a non-public, service bar, and there shall be no sale of beverages in original packages for off-premises consumption. This condition shall only remain in force so long as this license is used at the Essex and Sussex and the Essex and Sussex is utilized as a senior citizen common services residence. If the Essex and Sussex is lawfully utilized for a purpose other than a senior citizen common services care facility or if this license is lawfully transferred to another location, this condition shall automatically terminate and become void."

f. No resident shall occupy the premises, and no certificate of occupancy shall be issued for the occupancy of the premises, unless and until the exterior cooling tower for the heating, ventilation and air-conditioning system shown on the site plan attached as Exhibit "C" shall comply with all current and applicable land use requirements, codes, standards, or other governmental regulations, including

those established by the New Jersey Department of Environmental Protection concerning noise from commercial uses.

g. Notwithstanding any other provision of this Agreement, Essex and Sussex shall install and maintain landscaping in accordance with a landscaping plan to be approved by the Planning Board, which such approval shall be in accordance with the standards established by the ordinance adopted in implementation of this Agreement and the perimeter landscape plan attached to this Agreement as Exhibit "D". The parties recognize that provision of 150 parking spaces on-site requires that certain perimeter screening, as shown in Exhibit "D", be located on public property, may include walls or landscaping or both. Essex and Sussex shall provide surveys at its own expense of the areas to be vacated by the Borough. The Borough shall adopt an ordinance vacating sufficient portions of the public right-of-way to permit the installation and maintenance of such perimeter screening. The Borough shall adopt this ordinance within forty-five (45) days after provision of the survey description aforesaid and written request by Essex and Sussex following the grant of development approvals and the posting of bonds or other

sufficient security for improvements as provided for in the development approvals.

h. Essex and Sussex shall provide for and maintain a minimum of 150 parking spaces on the premises as shown on Exhibit "C". In addition, Essex and Sussex shall not apply for any variance or rezoning for parking spaces within the Borough on any site except the premises to be used in connection with the common services use. Pursuant to the Borough Code, parking is entirely prohibited on the west side of First Avenue from Warren Avenue to East Lake Drive and overnight parking is prohibited on all streets in the vicinity of the subject property except for the east side of Ocean Avenue where a 72 hour limit applies.

Consequently, Essex and Sussex acknowledges that under the Borough Code on-street parking spaces cannot be utilized for permanent parking for residents.

i. Essex and Sussex shall be responsible for snow removal on adjacent sidewalks, entrance and exit drives, and on-site parking areas (but not public streets), for trash and garbage collection and disposal and for solid waste recycling from the Essex and Sussex Hotel.

j. Essex and Sussex shall not provide health care services on the premises of the Essex and Sussex Hotel.

Nothing in this Agreement, however, shall be deemed to prohibit residents from contracting for health care services for themselves to be provided in the Essex and Sussex Hotel or elsewhere from any third party, except by a person or entity affiliated with Essex and Sussex.

k. Guests of residents shall not be permitted to occupy the premises for more than seven (7) days in any one calendar year.

l. Any accessory use provided for on the premises shall be restricted to use by residents and shall not be open to the general public.

12. It is specifically understood that, upon the granting of final development approval, the conditions aforesaid shall be deemed restrictive covenants which shall run with the land for the benefit of the Borough. The Planning Board may require execution of a deed incorporating these conditions as a condition of final development approval.

13. The ordinances adopted pursuant to this Settlement Agreement shall not be amended, modified or repealed without approval of the Court while this Agreement remains in force, unless this Agreement is terminated under paragraph 29 herein. In the event of such termination, the Ordinance shall be repealed as provided in subparagraph 29(e) herein.

14. The parties agree to jointly defend against any legal challenge to, or appeal from this Settlement Agreement, the Judgment of Repose as provided for herein, the Zoning Amendment and master plan amendments adopted pursuant to

this Settlement Agreement, and any action taken by the Borough or Planning Board in implementation of this Settlement Agreement. All parties will be responsible for their own legal costs in any such defense.

15. a. The Borough, Planning Board and all officers, employees and agents of the Borough shall cooperate with efforts by Essex and Sussex to secure necessary municipal, county and state permits, approvals, licenses, exceptions, waivers, variations and variances in an expeditious fashion. In particular, they shall cooperate with the applications by Essex and Sussex for a waiver or exception to the minimum parking space size and drainage requirements established by the Uniform Residential Site Improvement Standards so as to conform to the site plan attached as Exhibit "C" as necessary.

b. Nothing herein shall require the Borough or the Planning Board or any of their agents or representatives to join as an applicant, appear at any hearing or proceeding, or retain professionals to facilitate any Essex and Sussex applications. Essex and Sussex shall provide surveys at its own expense of the areas to be vacated by the Borough. The Borough will adopt an ordinance partially vacating portions of the public right-of-way encompassing the areas marked in the site plan attached Exhibit "C" for the entrance and exit driveways and the aisle/backup area for the angled parking which are located within the public right-of-way. This ordinance shall be adopted on the same schedule and as set forth in Paragraph 11(h). Should the common services use be discontinued or abandoned on the premises in question, Essex and Sussex shall rededicate any portion of right-of-way vacated pursuant to this Agreement, by delivery a deed of dedication to the Borough which shall be in form and

substance satisfactory to the Borough Attorney.

16. The Borough and Planning Board and Essex and Sussex shall take appropriate action to authorize the execution of, and shall execute, any document or agreement other than or in addition to those expressly provided for in this Settlement Agreement that is reasonably necessary to effectuate or implement this Settlement Agreement. No such document or agreement shall, however, create any obligations on the part of the Borough, its Planning Board or Essex and Sussex unless specifically required in this Agreement.

17. The fees of the court-appointed Special Master for services provided up to and including the entry of judgment of compliance shall be divided equally between Essex and Sussex and the Borough. Any fees of the court-appointed Special Master for services pertaining to the Essex and Sussex Hotel provided after entry of judgment shall continue to be divided equally between Essex and Sussex and the Borough, subject to any determination by the Court to the contrary. Any fees of the court-appointed Special Master for services to the Borough pertaining to matters other than the Essex and Sussex Hotel provided after entry of judgment shall be paid by the Borough.

18. If any party fails to perform any obligation required to be performed by this Settlement Agreement, such failure shall constitute a violation of this Agreement. Upon violation of the Agreement, any party for whose benefit such obligation is intended may enforce the Agreement by motion in aid of litigants rights, or any other remedy available by law or equity. Under no circumstances, however, will any party to this Agreement be entitled to recover attorneys fees or costs incurred as of the date of

this Agreement from any other party to this Agreement.

19. Any waiver of any provision of this Settlement Agreement will be effective only if made in writing. Failure to enforce any other provisions of this Settlement Agreement by any of the parties shall not constitute a waiver of these provisions.

20. This Settlement Agreement and the Exhibits attached hereto contain the entire Agreement between the parties. No representative, agent or employee of any party has been authorized to make any representations or promises with reference to this Settlement Agreement or to vary, alter or modify the terms hereof except as stated herein. No additions, changes or modifications, renewals or extensions hereof, shall be binding unless reduced to writing and signed by the parties hereto.

21. It is the intention of the parties that this Agreement constitutes a set of covenants that run with the land. This Agreement shall inure to the benefits of and be binding upon the parties, their successors and assigns. Wherever reference in this Settlement Agreement is made to Essex and Sussex Associates, L.P. or to Essex and Sussex, that reference shall also mean the successors in interest and assigns of the Essex and Sussex Associates, L.P.

22. The benefits and obligations of this Settlement Agreement may be assigned by Essex and Sussex. However, the benefits and obligations of this Agreement shall not be severable.

23. The parties agree to provide each other with immediate notice of any lawsuits, action or governmental declaration, threatened or pending, of which they actually aware which may effect the provisions of this Settlement Agreement or implementation thereof.

24. The parties acknowledge that this Settlement Agreement was prepared jointly and, therefore, this Settlement Agreement shall be construed on a parity between the parties.

25. This Settlement Agreement has been entered into and shall be construed, governed and enforced in accordance with the laws of the State of New Jersey.

26. All written notices required under this Settlement Agreement shall be given by Certified Mail, Return Receipt Requested, as follows:

Essex and Sussex Associates

Allen Goldman
Essex & Sussex Associates
c/o The Applied Companies
5 Marine View Plaza, Ste. 500
Hoboken, NJ 07030

and

Laurence Orloff, Esq.
Orloff Lowenbach Stifelman & Siegel
101 Eisenhower Parkway
Roseland, NJ 07068-1082

and

Stephen Eisdorfer, Esquire
Hill Wallack
202 Carnegie Center
Princeton, New Jersey 08543
Borough of Spring Lake

Municipal Clerk
Borough of Spring Lake
Fifth & Warren Avenues
Spring Lake, NJ 07762

and

Joseph L. Foster, Esq.
McLaughlin, Bennett, Gelson & Cramer, P.C.
1305 Campus Parkway
Neptune, NJ 07753

and

Jeffrey R. Surenian, Esq.
Lomell, Muccifori, Adler, Ravaschiere, Amabile & Pehlivanian
250 Washington
P.O. Box 787
Toms River, Nj 08754

Planning Board of the Borough of Spring Lake

Planning Board Secretary
Planning Board of the Borough of Spring Lake
Fifth & Warren Avenues
Spring Lake, NJ 07762

and

Robert D. Ford, Esq.
Russo Secare Ford & Delanoy
616 Washington Street
Toms River, NJ 08753

27. Each of the parties represents that it has authority to execute this Settlement Agreement. Each party shall provide legally sufficient documentation of its authority to execute this Settlement Agreement upon request by any other party, the court-appointed Special Master or the Court.

28. This Settlement Agreement shall remain in force for six years or until expiration of the period of repose established by the judgment of compliance (including any extensions of the period of repose granted by the Court of the Council on Affordable Housing), or until a housing plan providing for the fair share housing

obligation of the Borough for the period 2003-2009 or some later period is approved by the Court or by the Council on Affordable Housing, whichever occurs later. If a common services use is developed on the site during the period that this Agreement is in effect, the conditions set forth in Paragraph 11 shall remain in force for the duration of such use and from the effective date of this Agreement, regardless of expiration of this Settlement Agreement.

29. This Agreement shall become effective upon execution ("effective date").

This Agreement may be terminated under the following circumstances:

- a. If the Borough or Planning Board fail to adopt all the master plan and ordinance amendments or compliance plan provided for by this Settlement Agreement, Essex and Sussex may, by written notice to all parties, terminate this Agreement and reinstate the litigation.
- b. If, upon application, the Court refuses to enter a judgment of repose based upon this Settlement Agreement, the parties shall, with the assistance of the court-appointed Special Master, make reasonable efforts to modify this Settlement Agreement so as to attempt to secure entry of a judgment of repose. If they are unable to do so within forty-five (45) days, either the Borough or Essex and Sussex may, by written notice to all parties, terminate this Agreement and reinstate the litigation.
- c. If following the entry of a judgment of repose any

provisions of this Settlement Agreement or the implementing ordinance is held by a court to be invalid, void or unenforceable, or upon appeal an appellate court reverses the entry of a judgment of repose, the parties shall, after the exhaustion of all appeals, attempt with the assistance of the court-appointed Special Master to modify this Settlement Agreement. If they are unable to do so within twenty (20) days, either the Borough or Essex and Sussex may, by written notice to all other parties, terminate this Agreement and reinstate the litigation.

d. If Essex and Sussex fails to join in the application to the Court for approval of this Agreement, the Borough may, by written notice to all parties, terminate this Agreement and reinstate the litigation.

e. In the event either party terminates the Agreement pursuant to this paragraph (Paragraph 29), the Borough shall promptly repeal all ordinances adopted in implementation of this Agreement and the parties shall be restored to their procedural posture in the litigation as of the effective date of this Agreement. Neither party shall have any remedy against each other on the basis of this Agreement in the event of termination pursuant to this paragraph, except to compel repeal of any implementing

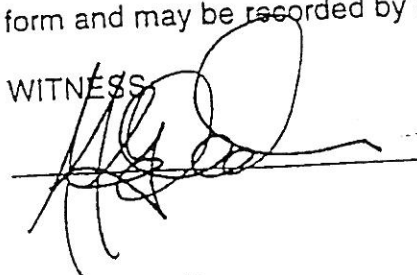
ordinances.

30. For the purpose of this Agreement, "Senior Citizen Common Services Residence Facility" means living units that are restricted to persons 62 years old or older in which food service is made available from a communal dining room to the residents three times per day and seven days per week, and which service must be required to be paid for by residents as part of the monthly charge for occupancy of such living units. This definition shall be included in the ordinances adopted pursuant to Paragraph 1 above. This term is used and defined for the special purpose of this Agreement and implementing ordinances and shall not be interpreted on the basis of the usage or definition of this term in any other document, including any state or federal statute or regulation.

31. The parties hereto agree that neither this Agreement, the fact of its execution, or any of its terms, shall be admissible in any Court or before any administrative agency for purposes of showing violation by the Borough of its fair share obligation.

32. This Agreement shall be executed by the parties hereto in recordable form and may be recorded by any party hereto in the Monmouth County Clerk's office.

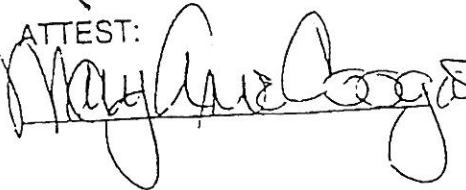
WITNESS

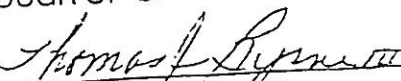


ESSEX AND SUSSEX ASSOCIATES, L.P.

JOSEPH BARRY
Essex and Sussex Associates, L.P.

BOROUGH OF SPRING LAKE

ATTEST: 


THOMAS BYRNE, MAYOR

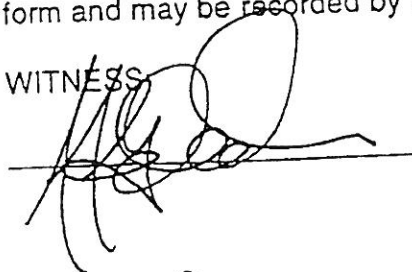
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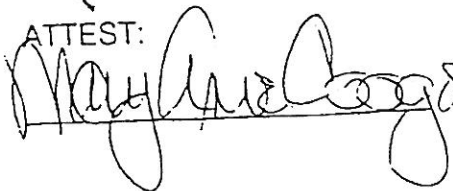


ESSEX AND SUSSEX ASSOCIATES, L.P.

JOSEPH BARRY
Essex and Sussex Associates, L.P.

BOROUGH OF SPRING LAKE

ATTEST:



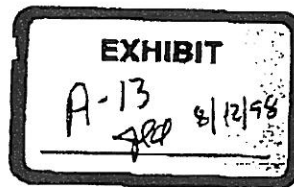
THOMAS BYRNE, MAYOR

SPRING LAKE PLANNING BOARD

DANIEL FINN, CHAIRMAN

WITNESS:

Angelika Palmer

AMENDMENT TO
SETTLEMENT AGREEMENT

CAL 11-98

THIS AGREEMENT, entered into this 11th day of March 1998

by and between the Borough of Spring Lake, with offices located at Fifth and Warren Avenues, Spring Lake, New Jersey ("the Borough"), the Planning Board of the Borough of Spring Lake, with offices located at Fifth and Warren Avenues, in Spring Lake, New Jersey ("the Planning Board") and Essex and Sussex Associates, L.P., with offices located at 5 Marine Plaza, Suite 500, Hoboken, New Jersey ("Essex and Sussex").

WITNESSETH:

WHEREAS, the parties entered into a Settlement Agreement dated November 3, 1997;
and

WHEREAS, the parties have agreed to amend that Agreement as set forth herein;

NOW, THEREFORE, in consideration of the mutual promises and agreements herein set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. E & S shall supply a Letter of Credit for \$420,000 to secure the sums set forth in Paragraph 4(a) of the Agreement of 11/3/97. The Letter of Credit shall be in a form reasonably acceptable to the Borough Attorney and supplied to the Borough not later than sixty (60) days following preliminary site plan approval by the Planning Board for the common services use of the Essex and Sussex site.

5. E & S shall maintain a single dining room on site for the service of meals to residents or for any event or use described in Paragraph 11(d) of the Agreement of November 3, 1997, provided however that a separate dining room, seating not more than 20 persons, shall be available and may be utilized for the service of meals to residents or for any event or use described in Paragraph 11(d) of the Agreement of November 3, 1997.

6. E & S may provide or permit a bank to provide an ATM banking machine on the site for use by the residents only and may also provide access on site to a bank representative who may meet with residents no more than three times per week. However, no cash (other than the ATM), no vault and no tellers will be permitted on this site for banking services.

7. The provisions of Paragraph 11(e) of the Agreement of November 3, 1997 shall remain in effect, provided however that upon the expiration of the third year of use of this license or sooner at the option of E & S, subject to approval of the New Jersey Alcoholic Beverage Commission ("ABC"), E & S shall surrender such license to the Borough, and the Borough shall provide to E & S, in exchange without any payment to E & S, a club license with the same restrictions as set forth in Paragraph 11(e) of the Agreement of 11/3/97. The Borough shall support any application by E & S to the ABC in accordance with this paragraph.

8. Any parking attendant services shall not be permitted to operate between 1:00 a.m. and 6:00 a.m.

9. Any accessory use provided for on the premises shall be restricted to use by the residents and shall not be open to the general public. E & S shall maintain a concierge/security representative on site at all times, 24 hours a day, 7 days a week for the purpose, among other things, of assuring that the premises (the interior of the structure) shall not be entered or utilized by members of the general public or anyone other than residents, their guests or employees working or having other legitimate business at the premises.

10. There shall be one unlocked ingress to the interior of the premises which shall not be located on Ocean Avenue and which shall be maintained by a concierge/security representative at all times 24 hours a day, 7 days a week, provided however that residents may have ingress and egress with the use of keys or card keys through other entrances.

11. Notwithstanding any provision of the applicable ordinance, E & S will limit the size of the convenience store located on the premises for the exclusive use of residents and their guests to not more than 1250 square feet.

12. In all other respects and except as set forth herein above, the terms and provisions of the Settlement Agreement dated November 3, 1997 shall be deemed incorporated herein by reference, except that the provisions of Paragraph 29(a) shall be amended to require that in the event the Borough or Planning Board fail to adopt all the master plan and ordinance amendments provided for by this Settlement Agreement on or before March 12, 1998, E & S may, by written

notice to all parties, terminate this Agreement, and in such event, the litigation will proceed to trial as scheduled on March 16, 1998.

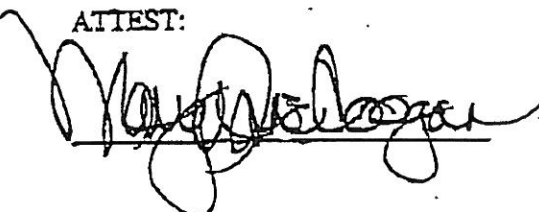
WITNESS

ESSEX AND SUSSEX ASSOCIATES, L.P.

JOSEPH BARRY
Essex and Sussex Associates, L.P.

ATTEST:


BOROUGH OF SPRING LAKE



THOMAS BYRNE, MAYOR

WITNESS

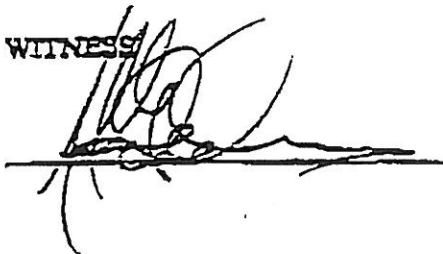
SPRING LAKE PLANNING BOARD



DANIEL FINN, CHAIRMAN

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WITNESS

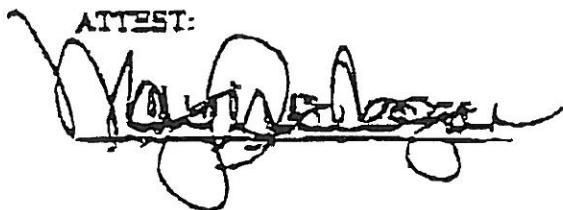


ESSEX AND SUSSEX ASSOCIATES, L.P.



JOSEPH BARRY
Essex and Sussex Associates, L.P.

ATTEST:



BOROUGH OF SPRING LAKE




THOMAS BYRNE, MAYOR

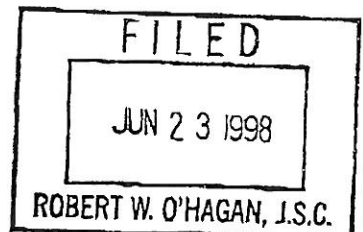
WITNESS



SPRING LAKE PLANNING BOARD



DANIEL FINN, CHAIRMAN



DRAZIN & WARSHAW, P.C.
 25 Reckless Place
 P.O. Box 8909
 Red Bank, New Jersey 07701
 (732) 747-3730
 Attorneys for Defendants

ESSEX AND SUSSEX ASSOCIATES, L.P., a limited partnership, organized under the law of New Jersey,	:	SUPERIOR COURT OF NEW JERSEY LAW DIVISION: MONMOUTH COUNTY
	:	DOCKET NO. MON-L-2136-95
	:	CIVIL ACTION
	:	(MOUNT LAUREL ACTION)
Plaintiff,	:	
v.	:	<u>FINAL JUDGMENT OF COMPLIANCE</u>
THE BOROUGH OF SPRING LAKE and THE PLANNING BOARD OF THE BOROUGH OF SPRING LAKE,	:	
Defendants.	:	

THIS MATTER having come before the Court on the joint application of the plaintiffs, Essex and Sussex Associates, and the defendants the Borough of Spring Lake and the Planning Board of the Borough of Spring Lake, for approval of the negotiated settlement and entry of Final Judgment of Compliance in the presence of, or on notice to, counsel for all the parties, Hill Wallack (Stephen M. Eisdorfer, appearing) and Orloff, Lowenbach, Stifelman & Siegel, P.A. (Laurence B. Orloff appearing), co-counsel for plaintiff, Drazin & Warshaw (Ronald L. Reisner appearing), attorneys for defendant Borough of Spring Lake, and Russo, Secare, Ford, Delanoy & Martino,

attorneys for defendant Spring Lake Planning Board, as well as Jerald D. Baranoff, counsel for the "Spring Lake Concerned Citizens;" and

Notice in a form approved by the Court having been given by publication and posting in the Spring Lake municipal building and by mail to organizations representing the interests of low and moderate income persons, the New Jersey Council on Affordable Housing, and Monmouth County Planning Board, and "Spring Lake Concerned Citizens;" and

The Court having received and considered the proposed Settlement Agreement, which is attached as Exhibit I, and Amendment to the Settlement Agreement, which is attached as Exhibit II, written reports by Special Master John J. Lynch, submissions in support of the proposed settlement agreement filed by the parties, and a written objection to the settlement agreement filed on behalf of the "Spring Lake Concerned Citizens;" and

The Court having heard testimony concerning the proposed settlement on December 12, 1997, and March 16, 1998, including testimony of Special Master John J. Lynch and defendants' planning expert Philip Caton, and statements by objectors Helen Motzenbecker, and "Spring Lake Concerned Citizens;" and

Defendants having enacted the ordinance attached as Exhibit A to the Settlement Agreement on March 2, 1998, as Ordinance No. 4-1998, and adopted the

amendments to the master plan attached as Exhibit B to the Settlement Agreement on December 8, 1997, as Resolution No. 153; and

No proceeding having been filed in the Superior Court challenging the legality of such ordinance or master plan amendments; and

The Court having determined for the reasons set forth in its written opinion dated April 24, 1998, that the Settlement Agreement, as modified by the Amendment to the Settlement Agreement, together with the implementing ordinance and master plan amendment, are fair and reasonable for low and moderate income persons, satisfy the municipality's obligation to create realistic housing opportunities to meet its fair share of the regional need for housing affordable to low and moderate income households, and are not unlawful, and good cause appearing,

It is on this 23RD day of May, 1998, hereby ORDERED AND ADJUDGED as follows:

1. The Settlement attached as Exhibit I, and incorporated herein by reference, as modified by the Amendment to the Settlement Agreement attached as Exhibit II and incorporated herein by reference, is approved, and the parties shall implement it forthwith.

2. The Ordinance attached as Exhibit A to the Settlement Agreement and incorporated herein by reference shall remain in force for a period of six years from the

date of this Judgment and shall not be repealed or amended or modified except with the approval of the Court.

3. The fair share housing plan attached as Exhibit B to the Settlement Agreement and incorporated herein by reference is approved, and defendants shall implement it forthwith.

4. Within 180 days after the entry of this judgment, the Borough of Spring Lake shall take the following actions and submit a report to the Court demonstrating that it has taken such actions:

(a) Adopt a development fee ordinance and a municipal housing trust fund ordinance on terms consistent with the standards established by the New Jersey Council on Affordable Housing and approved by the Special Master.

(b) Adopt and implement a program for publicly funded rehabilitation of 14 units of physically substandard housing occupied by low and moderate income households consistent with standards established by the New Jersey Council on Affordable Housing and approved by the Special Master.

(c) Enter into a Regional Contribution Agreement with another municipality providing for the construction or rehabilitation of 14 units of low and moderate income housing consistent with standards established by the New Jersey Council on Affordable Housing and apply to the New Jersey Council on Affordable housing for approval of that Regional Contribution Agreement.

(d) Adopt a plan for the spending of funds held in the municipal housing trust fund consistent with standards established by the New Jersey Council on Affordable Housing and acceptable to the Special Master and apply to the New Jersey Council on Affordable Housing for approval of that spending plan.

5. Upon the adoption by the Borough of Spring Lake of a development fee ordinance and housing trust fund ordinance and the filing with the Court of a certification by the Special Master that those ordinances have been adopted and are consistent with the standards established by the New Jersey Council on Affordable Housing and acceptable to the Special Master, the restraints imposed by the Order Preserving Scarce Resources dated September 6, 1995, shall automatically be dissolved without further order of the Court.

6. All orders issued by the Court since September 6, 1995, granting exemptions from the Order Preserving Scarce Resources shall remain in force. All such orders are hereby modified by striking any provision that limits the period during which Spring Lake may retain funds paid as a condition of exemption from the Order Preserving Scarce Resources and providing that the municipality shall retain those funds permanently, subject to Paragraph 7 below.

7. Spring Lake shall serve a true but uncertified copy of this judgment by certified mail upon all persons who applied for exemption from the Order Preserving Scarce Resources within 10 days of entry of this judgment. Any person who has paid

funds to the municipality pursuant to such order and who seeks to modify the terms of this paragraph shall file a motion seeking such modification within 45 days of entry of this judgment.

8. Upon adoption of a housing trust fund ordinance acceptable to the Special Master, Spring Lake shall transfer all funds received by the Borough of Spring Lake pursuant to orders issued by the Court exempting properties from the Order Preserving Scarce Resources to the municipal housing trust fund. The retention and expenditure of such funds shall thereafter be governed by the terms of the municipal housing trust fund ordinance and COAH-approved spending plan.

9. Defendant Spring Lake Borough shall be entitled to repose from further exclusionary zoning litigation for a period of six years from the date of this order as provided by Southern Burlington County NAACP v. Mt. Laurel Township, 92 N.J. 158 (1983).

10. John J. Lynch shall continue to serve as Special Master as provided for in the Settlement Agreement.

11. The Court retains jurisdiction for the purpose of enforcing this Final Judgment.



Robert W. O'Hagen, J.S.C.

APPENDIX G

EXISTING DEVELOPMENT FEE ORDINANCE

ARTICLE X Development Fee [Added 12-7-1998 by Ord. No. 25-1998; amended 4-18-2005 by Ord. No. 11-2005]

§ 225-48. Short title.

This article shall be known and may be cited as the "Development Fee Ordinance of Spring Lake Borough."

§ 225-49. Purpose.

In *Holmdel Builder's Assn. v. Holmdel Township*, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., and the State Constitution subject to COAH developing rules. The purpose of this section is to establish standards for the collection, maintenance and expenditure of development fees pursuant to COAH's rules. Fees collected pursuant to this section shall be used for the sole purpose of providing low and moderate income housing. This section shall be interpreted within the framework of COAH's rules on development fees.

§ 225-50. Development fees.

- A. Residential development fees. Within any zone district permitting residential development, developers shall pay a development fee of 1% of the equalized assessed value of any eligible residential activity pursuant to § 225-51 of this article, except that affordable housing projects shall be exempt from development fees. [Amended 8-8-2006 by Ord. No. 13-2006]
- B. Nonresidential development fees. Within any zone district permitting nonresidential development, developers shall pay a development fee of 2% of the equalized assessed value for eligible nonresidential activities pursuant to § 225-51 of this article.
- C. In accordance with N.J.A.C. 5:94-6.6(b) and N.J.A.C. 5:94-6.7(b), for all residential and nonresidential approvals that have necessitated the approval of a "d" variance by the Borough pursuant to N.J.S.A. 40:55D-70(d), developers shall pay a development fee of 6% of the increased density, for residential units, or increased floor area, for nonresidential construction, made available to the developer by such "d" variance. If the zoning on a site has changed during the two-year period preceding the filing of the "d" variance application, the base density for the purpose of calculating the bonus development fee shall be the highest density or floor area permitted by right during the two-year period preceding the filing of the "d" variance application. [Amended 8-8-2006 by Ord. No. 13-2006]

- D. Any imposed and/or collected development fees challenged by a developer shall be placed in an interest-bearing escrow account. If any or all of the contested fees are ultimately returned to the developer, the accrued interest on the returned amount shall also be returned. [Added 8-8-2006 by Ord. No. 13-2006]

§ 225-51. Eligible exaction, ineligible exaction, and exemptions.

- A. Alterations and additions to existing residential structures with increased assessed values of less than \$50,000 per residential unit shall be exempt from payment of a development fee.
- B. Developers that expand an existing nonresidential structure shall pay a development fee. The development fee shall be calculated based on the increase in the equalized assessed value of the improved structure.
- C. Developers that have received preliminary or final approval prior to the effective date of this article and who seek a substantial change in the approval after the effective date of this article shall pay fees in accordance with § 225-51 or other applicable section of this article.
- D. Developers that have received preliminary and/or final approval prior to the effective date of this article shall pay the development fee required by the applicable prior version of the development fee ordinance of Spring Lake Borough.
- E. Affordable housing projects shall be exempt from any and all development fees. [Added 8-8-2006 by Ord. No. 13-2006]

§ 225-52. Collection of fees.

- A. Developers shall pay 50% of the calculated development fee to Spring Lake Borough at the issuance of building permits. The development fee shall be estimated by the Tax Assessor prior to the issuance of building permits.
- B. Developers shall pay the remaining fee to Spring Lake Borough at the issuance of certificates of occupancy. At the issuance of certificates of occupancy, the Tax Assessor shall calculate the equalized assessed value and the appropriate development fee. The developer shall be responsible for paying the difference between the fee calculated at certificate of occupancy and the amount paid at issuance of building permit.

§ 225-53. Housing Trust Fund.

- A. There is hereby created a separate, interest-bearing Housing Trust Fund bank account for the purpose of receiving development fees from residential and nonresidential developers. All development fees paid by developers pursuant to this article shall be deposited in this fund. No money shall be expended from the Housing Trust Fund unless the expenditure conforms to a spending plan approved by the Superior Court or the Council on Affordable Housing, whichever is applicable. If such Housing Trust Fund is already in existence as of the date of passage of this article, this shall serve as authority for all increased fees to be deposited therein as well. Any interest accrued on this account shall only be used on eligible affordable housing activities approved by COAH. [Amended 8-8-2006 by Ord. No. 13-2006]
- B. If the Superior Court determines that Spring Lake Borough is not in conformance with COAH rules on development fees as to any matter remaining under the Superior Court's jurisdiction, the Superior Court is authorized to direct the manner in which all development fees collected pursuant to this article shall be expended. Such authorization is pursuant to this article, COAH's rules on development fees, and the written authorization from the governing body to the bank in which the Housing Trust Fund is located.
- C. If COAH determines that Spring Lake Borough is not in conformance with COAH rules on development fees pursuant to N.J.A.C. 5:94-6.16(a) as to any matter under COAH's jurisdiction, COAH is authorized to direct the manner in which all development fees collected pursuant to this article shall be expended. Such authorization is pursuant to this article, COAH's rules on development fees, and the written authorization from the governing body to the bank in which the Housing Trust Fund is located.

§ 225-54. Use of funds.

- A. Money deposited in a Housing Trust Fund may be used consistent with the housing plan element previously adopted or any later revisions or later adopted replacement plan, as well as any spending plan which may be subsequently adopted to further refine the housing element. Such activities may include, but are not necessarily limited to, housing rehabilitation, housing construction, and regional contribution agreements.
- B. No more than 20% of the revenues shall be expended on administrative costs necessary to develop, revise or implement the housing element. Examples of eligible administrative activities include personnel, consultant services, legal services, space costs, consumable supplies and rental or purchase of equipment.

§ 225-55. Expiration of ordinance.

This article shall expire if Spring Lake Borough fails to petition for third round substantive certification by December 20, 2005.

§ 225-56. Definitions.

As used in this article, the following terms shall have the meanings indicated:

COAH — The New Jersey Council on Affordable Housing.

DEVELOPMENT FEES — The money paid by an individual, person, partnership, association, company or corporation for the improvement of property as permitted by this article and as defined in COAH's rules.

EQUALIZED ASSESSED VALUE — The value of a property determined by the Municipal Tax Assessor through process designed to ensure that all property in the municipality is assessed at the same assessment ratio or ratios required by law. Estimates at the time of issuance of a building permit may be obtained by the Tax Assessor utilizing estimates for construction cost. Final equalized assessed value will be determined at project completion by the Municipal Tax Assessor.

JUDGMENT OF REPOSE — A judgment issued by the Superior Court approving a municipality's plan to satisfy its fair share obligation.

§ 225-56.1. Additional requirements.

[Added 8-8-2006 by Ord. No. 13-2006]

- A. Once this article is adopted, such must be submitted to COAH within seven days of the Borough's adoption thereof; and
- B. The Borough must submit a written authorization to COAH from the Borough Council and the bank in which the Housing Trust Fund is located within seven days of re-adoption, which allows COAH to direct expenditure of the funds if Spring Lake is not in conformance with COAH rules on development fees.
- C. Once this article is approved, as revised, Spring Lake is empowered to continue imposing and collecting fees at the higher percentages (5) pursuant to N.J.A.C. 5:94-6.6(a) and 6.7(a).
- D. The Borough must receive COAH approval of its updated spending plan before disbursement of these funds and prior to the grant of third-round substantive certification.

§ 225-56.2. Enactment.

[Added 8-8-2006 by Ord. No. 13-2006]

This article shall take effect only upon the filing thereof with the Monmouth County Planning Board after final passage, adoption and publication by the Borough Clerk of the Borough of Spring Lake in the manner prescribed by law, and approved by the Superior Court of New Jersey or the Council on Affordable Housing, whichever is applicable. This article shall become null and void if Spring Lake withdraws its petition for substantive certification, fails to obtain substantive certification, allows its certifications to lapse or its substantive certification is revoked by COAH.

APPENDIX H

PROPOSED DEVELOPMENT FEE ORDINANCE

Amended Development Fee Ordinance

1. Purpose

- a) In Holmdel Builder's Association V. Holmdel Township, 121 N.J. 550 (1990), the New Jersey Supreme Court determined that mandatory development fees are authorized by the Fair Housing Act of 1985 (the Act), N.J.S.A. 52:27d-301 et seq., and the State Constitution, subject to the Council on Affordable Housing's (COAH's) adoption of rules.
- b) Pursuant to P.L.2008, c.46 section 8 (C. 52:27D-329.2) and the Statewide Non-Residential Development Fee Act (C. 40:55D-8.1 through 8.7), COAH is authorized to adopt and promulgate regulations necessary for the establishment, implementation, review, monitoring and enforcement of municipal affordable housing trust funds and corresponding spending plans. Municipalities that are under the jurisdiction of the Council or court of competent jurisdiction and have a COAH-approved spending plan may retain fees collected from non-residential development.
- c) This ordinance establishes standards for the collection, maintenance, and expenditure of development fees pursuant to COAH's regulations and in accordance P.L.2008, c.46, Sections 8 and 32-38. Fees collected pursuant to this ordinance shall be used for the sole purpose of providing low- and moderate-income housing. This ordinance shall be interpreted within the framework of COAH's rules on development fees, codified at N.J.A.C. 5:97-8.

2. Basic requirements

- a) This ordinance shall not be effective until approved by COAH pursuant to N.J.A.C. 5:96-5.1.
- b) *The Borough of Spring Lake* shall not spend development fees until COAH has approved a plan for spending such fees in conformance with N.J.A.C. 5:97-8.10 and N.J.A.C. 5:96-5.3.

3. Definitions

- a) The following terms, as used in this ordinance, shall have the following meanings:
 - i. **"Affordable housing development"** means a development included in the Housing Element and Fair Share Plan, and includes, but is not limited to, an inclusionary

development, a municipal construction project or a 100 percent affordable development.

- ii. **“COAH”** or the **“Council”** means the New Jersey Council on Affordable Housing established under the Act which has primary jurisdiction for the administration of housing obligations in accordance with sound regional planning consideration in the State.
- iii. **“Development fee”** means money paid by a developer for the improvement of property as permitted in *N.J.A.C. 5:97-8.3*.
- iv. **“Developer”** means the legal or beneficial owner or owners of a lot or of any land proposed to be included in a proposed development, including the holder of an option or contract to purchase, or other person having an enforceable proprietary interest in such land.
- v. **“Equalized assessed value”** means the assessed value of a property divided by the current average ratio of assessed to true value for the municipality in which the property is situated, as determined in accordance with sections 1, 5, and 6 of P.L.1973, c.123 (C.54:1-35a through C.54:1-35c).
- vi. **“Green building strategies”** means those strategies that minimize the impact of development on the environment, and enhance the health, safety and well-being of residents by producing durable, low-maintenance, resource-efficient housing while making optimum use of existing infrastructure and community services.

4. Residential Development fees

a) Imposed fees

- i. Within the *[insert name of zoning]* district(s), residential developers, except for developers of the types of development specifically exempted below, shall pay a fee of *[insert number - maximum of one and a half percent]* percent of the equalized assessed value for residential development provided no increased density is permitted.
- ii. When an increase in residential density pursuant to N.J.S.A. 40:55D-70d(5) (known as a “d” variance) has been permitted, developers may be required to pay a development fee of *[insert specific number – maximum of six percent]* percent of the equalized assessed value for each additional unit that may be realized. However, if the zoning on a site has changed during the two-year period preceding the filing of such a variance application, the base density for the purposes of calculating the bonus development fee shall be the highest density permitted by right during the two-year period preceding the filing of the variance application.

Example: If an approval allows four units to be constructed on a site that was zoned for two units, the fees could equal one and a half percent of the equalized assessed value on the first two units; and the specified higher percentage up to six percent of the equalized assessed value for the two additional units, provided zoning on the site has not changed during the two-year period preceding the filing of such a variance application.

- b) Eligible exactions, ineligible exactions and exemptions for residential development
 - i. Affordable housing developments and developments where the developer has made a payment in lieu of on-site construction of affordable units shall be exempt from development fees.
 - ii. Developments that have received preliminary or final site plan approval prior to the adoption of a municipal development fee ordinance shall be exempt from development fees, unless the developer seeks a substantial change in the approval. Where a site plan approval does not apply, a zoning and/or building permit shall be synonymous with preliminary or final site plan approval for this purpose. The fee percentage shall be vested on the date that the building permit is issued.
 - iii. *[optional]* Development fees shall be imposed and collected when an existing structure undergoes a change to a more intense use, is demolished and replaced, or is expanded, if the expansion is not otherwise exempt from the development fee requirement. The development fee shall be calculated on the increase in the equalized assessed value of the improved structure.
 - iv. *[optional]* Developers of *[specific types of residential development, for example developments with one or two owner-occupied dwelling units, residential structures demolished and replaced as a result of a natural disaster, green buildings etc.]* shall be *[select only one of the following: exempt from paying a development fee, or subject to a reduced fee of X percent]*.
 - v. *[optional]* Within the *[name of zoning district(s) or area(s), e.g. TOD District, Revenue Allocation District, Historic District, etc.]*, residential developers shall be exempt from paying a development fee.

5. Non-residential Development fees

- a) Imposed fees
 - i. Within all zoning districts, non-residential developers, except for developers of the types of development specifically exempted, shall pay a fee equal to

two and one-half (2.5) percent of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.

- ii. Non-residential developers, except for developers of the types of development specifically exempted, shall also pay a fee equal to two and one-half (2.5) percent of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
 - iii. Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of two and a half percent (2.5%) shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvement and the equalized assessed value of the newly improved structure, i.e. land and improvement, at the time final certificate of occupancy is issued. If the calculation required under this section results in a negative number, the non-residential development fee shall be zero.
- b) Eligible exactions, ineligible exactions and exemptions for non-residential development
- i. The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to the two and a half (2.5) percent development fee, unless otherwise exempted below.
 - ii. The 2.5 percent fee shall not apply to an increase in equalized assessed value resulting from alterations, change in use within existing footprint, reconstruction, renovations and repairs.
 - iii. Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to P.L.2008, c.46, as specified in the Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" Form. Any exemption claimed by a developer shall be substantiated by that developer.
 - iii. A developer of a non-residential development exempted from the non-residential development fee pursuant to P.L.2008, c.46 shall be subject to it at such time the basis for the exemption no longer applies, and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final certificate of occupancy of the non-residential development, whichever is later.
 - iv. If a property which was exempted from the collection of a non-residential development fee thereafter ceases to be exempt from property taxation, the owner of the property shall remit the fees required pursuant to this section within 45 days of the termination of the property tax exemption. Unpaid non-

residential development fees under these circumstances may be enforceable by the Borough of Spring Lake as a lien against the real property of the owner.

6. Collection procedures

- a) Upon the granting of a preliminary, final or other applicable approval, for a development, the applicable approving authority shall direct its staff to notify the construction official [**OR** *insert title of designated municipal official*] responsible for the issuance of a building permit.
- b) For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" to be completed as per the instructions provided. The Developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The construction official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- c) The construction official responsible for the issuance of a building permit shall notify the local tax assessor of the issuance of the first building permit for a development which is subject to a development fee.
- d) Within 90 days of receipt of that notice, the municipal tax assessor, based on the plans filed, shall provide an estimate of the equalized assessed value of the development.
- e) The construction official responsible for the issuance of a final certificate of occupancy notifies the local assessor of any and all requests for the scheduling of a final inspection on property which is subject to a development fee.
- f) Within 10 business days of a request for the scheduling of a final inspection, the municipal assessor shall confirm or modify the previously estimated equalized assessed value of the improvements of the development; calculate the development fee; and thereafter notify the developer of the amount of the fee.
- g) Should the Borough of Spring Lake fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in subsection b. of section 37 of P.L.2008, c.46 (C.40:55D-8.6).
- h) *[select one of the following paragraphs:]*

The developer shall pay 100 percent of the calculated development fee amount prior to the municipal issuance of a final certificate of occupancy for the subject property.

OR

Fifty percent of the development fee shall be collected at the time of issuance of the building permit. The remaining portion shall be collected at the issuance of the certificate of occupancy. The developer shall be responsible for paying the difference between the fee calculated at building permit and that determined at issuance of certificate of occupancy.

i) Appeal of development fees

- 1) A developer may challenge residential development fees imposed by filing a challenge with the County Board of Taxation. Pending a review and determination by the Board, collected fees shall be placed in an interest bearing escrow account by *[insert name of municipality]*. Appeals from a determination of the Board may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.
- 2) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by *[insert name of municipality]*. Appeals from a determination of the Director may be made to the tax court in accordance with the provisions of the State Tax Uniform Procedure Law, R.S.54:48-1 et seq., within 90 days after the date of such determination. Interest earned on amounts escrowed shall be credited to the prevailing party.

7. Affordable Housing trust fund

a) *[select one of the following paragraphs:]*

There is hereby created a separate, interest-bearing housing trust fund to be maintained by the *[chief financial officer or insert municipal employee title]* for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.

OR

Upon approval by COAH and by the Division of Local Government Services, *The Borough of Spring Lake* shall invest development fee revenue and proceeds from the sale of units with extinguished controls into the State of New Jersey Cash Management Fund, provided that the funds in the Cash Management account that comprise the deposits and income attributable to such deposits shall at all times be identifiable.

- b) The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:
 - 1. payments in lieu of on-site construction of affordable units;
 - 2. developer contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible;
 - 3. rental income from municipally operated units;
 - 4. repayments from affordable housing program loans;
 - 5. recapture funds;
 - 6. proceeds from the sale of affordable units; and
 - 7. any other funds collected in connection with *[insert municipal name]*'s affordable housing program.
- c) Within seven days from the opening of the trust fund account, *The Borough of Spring Lake* shall provide COAH with written authorization, in the form of a three-party escrow agreement between the municipality, *[select one: the bank or the bank linked to the Cash Management Fund]*, and COAH to permit COAH to direct the disbursement of the funds as provided for in N.J.A.C. 5:97-8.13(b).
- d) All interest accrued in the housing trust fund shall only be used on eligible affordable housing activities approved by COAH.

8 Use of funds

- a) The expenditure of all funds shall conform to a spending plan approved by COAH. Funds deposited in the housing trust fund may be used for any activity approved by COAH to address the *Borough of Spring Lake's* fair share obligation and may be set up as a grant or revolving loan program. Such activities include, but are not limited to: preservation or purchase of housing for the purpose of maintaining or implementing affordability controls, rehabilitation, new construction of affordable housing units and related costs, accessory apartment, market to affordable, or regional housing partnership programs, conversion of existing non-residential buildings to create new affordable units, green building strategies designed to be cost saving and in accordance with accepted national or state standards, purchase of land for affordable housing, improvement of land to be used for affordable housing, extensions or improvements of roads and infrastructure to affordable housing sites, financial assistance designed to increase affordability, administration necessary for implementation of the Housing Element

and Fair Share Plan, or any other activity as permitted pursuant to N.J.A.C. 5:97-8.7 through 8.9 and specified in the approved spending plan.

- b) Funds shall not be expended to reimburse *The Borough of Spring Lake* for past housing activities.
- c) At least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in affordable units included in the municipal Fair Share Plan. One-third of the affordability assistance portion of development fees collected shall be used to provide affordability assistance to those households earning 30 percent or less of median income by region.
 - i. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners association or condominium fees and special assessments, and assistance with emergency repairs.
 - ii. Affordability assistance to households earning 30 percent or less of median income may include buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30 percent or less of median income. The use of development fees in this manner may entitle *The Borough of Spring Lake* to bonus credits pursuant to N.J.A.C. 5:97-3.7.
 - iii. Payments in lieu of constructing affordable units on site and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- d) *The Borough of Spring Lake* may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including the requirement for affordability assistance, in accordance with N.J.A.C. 5:96-18.
- e) No more than 20 percent of all revenues collected from development fees, may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or consultant fees necessary to develop or implement a new construction program, a Housing Element and Fair Share Plan, and/or an affirmative marketing program. In the case of a rehabilitation program, no more than 20 percent of the revenues collected from development fees shall be expended for such administrative expenses. Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with COAH's monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or objecting to the Council's regulations and/or action are not eligible uses of the affordable housing trust fund.

9. Monitoring

- a) *The Borough of Spring Lake* shall complete and return to COAH all monitoring forms included in monitoring requirements related to the collection of development fees from residential and non-residential developers, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, barrier free escrow funds, rental income, repayments from affordable housing program loans, and any other funds collected in connection with [insert municipal name]'s housing program, as well as to the expenditure of revenues and implementation of the plan [select appropriate one: certified by COAH or approved by the court]. All monitoring reports shall be completed on forms designed by COAH.

10. Ongoing collection of fees

- a) The ability for *The Borough of Spring Lake* to impose, collect and expend development fees shall expire with its [select appropriate one: substantive certification or judgment of compliance] unless *The Borough of Spring Lake* has filed an adopted Housing Element and Fair Share Plan with COAH, has petitioned for substantive certification, and has received COAH's approval of its development fee ordinance. If *The Borough of Spring Lake* fails to renew its ability to impose and collect development fees prior to the expiration of [pick one: substantive certification or judgment of compliance], it may be subject to forfeiture of any or all funds remaining within its municipal trust fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320). *The Borough of Spring Lake* shall not impose a residential development fee on a development that receives preliminary or final site plan approval after the expiration of its substantive certification or judgment of compliance, nor shall *The Borough of Spring Lake* retroactively impose a development fee on such a development. *The Borough of Spring Lake* shall not expend development fees after the expiration of its substantive certification or judgment of compliance.

APPENDIX I

DOCUMENTATION FOR THE REHABILITATION PROGRAM

Spring Lake COAH - Prior Rehabilitations

Block/Lot	Address	Name	Date Approved	Household Category	Initial Inspection	Final Inspection	Amount for Rehab.	Length of Deed Restriction	Type Work
29/18	204 Salem Ave	Cook	8/29/2002	own	6/4/2002	2/3/2004	\$15344 (ad appr. 4/3/08) org. \$14620	6	Tear off @ layers of roof, install new shingles, install 15 windows, install vinyl siding, install attic roof fan, install kitchen window install new pic. Window flats
151/14	344 South Blvd	Marks	10/9/2002	own	9/4/2002	2/3/2003	\$ 12,615.00	6	Install 3 smoke detectors, replace new hot water boiler , install new 40 gal. electric hot water heater, replace approx 40 ft of galvanize waste piping in cellar area, upgrade electrical service, replace 16 windows, & one picture window reflash brick chimney for leaks
113/10	419 Ludlow Ave	Cauldwell	2/13/2002	own	1/6/2003	5/13/2003	\$ 6,805.00	6	Replace 17 new windows, replace storm door, replace and entry level door, wrap outside stops on ext. of windows, reinforce railing & posts around upstairs stairwell
11/12.01	420 Central Ave	McManmom	8/14/2003	own	6/24/2003	6/1/2004	\$ 12,180.00	6	Reinforce floor in living room (floor beams & girders rebuilt & footings installed), replace 3 oversized windows, replace 8 new windows, exterminate house & electrical panel box rewired
128/12	10 Valandora Ct.	Reynolds	1/22/2004	own	11/10/2003	5/27/2004	\$ 14,450.00	6	Install 5 hard-wire smoke detectors, install 2 steel insulated entry doors, install 5 basement windows, tear off & rebuild rear entry roof assembly, upgrade existing electrical service, install new GFCI electrical receptable, correct light condition in the bathroom, replace hot air furnace, stucco repair exterior, correct bathroom overflow drain piping
151/15	346 South Blvd.	Becker	8/12/2004	own	6/21/2004	10/19/2004	\$ 16,200.00	6	Install 2 hard-wire smoke detectors, replace the outlets in the kitchen & bathroom with GFI, tear off roofing down to existing sheathing, install roof shingles, install 13 new windows, install new siding 1,600 sq. ft. replace 2 posts on back porch, replace the glazing on the front porch, replace broken wooden cellar step, install tiles & regrate area in bath tub, replace 5 screens cellar windows, replace leaders & gutters
38/8	417 Essex Avenue	Margarelli	6/29/2004	own	5/21/2004	10/29/2004	\$ 13,655.00	6	Install # hard-wire smoke detectors, The bathroom outlet & light are in arms reach of bath tub-remove the wiring, install 3,200 sq.ft. of vinyl siding, install 1 solid core storm door w closure, install 1 insulated entry door, replace back wooden steps & handrail, install 4'x8' sheets of woolmanized plyscore over existing gloor on the back porch

**SERVICE AGREEMENT FOR
CONTRACT ADMINISTRATION OF
HOUSING REHABILITATION PROGRAM**

THIS SERVICE AGREEMENT entered into the 22nd day of October, 2001.

BETWEEN: The **BOROUGH OF SPRING LAKE**, a Municipal Corporation having its principal place of business at Fifth & Warren Avenues, Spring Lake, NJ 07762, (hereinafter referred to as "**Spring Lake**" or "**Borough**").

AND: The COUNTY OF MONMOUTH, having its principal place of business at Hall of Records Annex, One East Main Street, Freehold, New Jersey 07728-1255, (hereinafter referred to as "Monmouth" or "County").

WHEREAS, the **Borough of Spring Lake** has developed a compliance program to satisfy its entire fair share obligation pursuant to the dictates of Mount Laurel II and the Fair Housing Act; and

WHEREAS, **14** units of the **Borough's** entire obligation shall be satisfied through a Housing Rehabilitation Program which provides for the rehabilitation of **14** units of substandard housing occupied by income eligible low and moderate income households as estimated by COAH after the 1990 Census; and

WHEREAS, the Housing Rehabilitation Program will require the creation of an appropriate administrative mechanism; and

WHEREAS, the Monmouth County Board of Chosen Freeholders has the experience, expertise and personnel and has offered to administer the Housing Rehabilitation Program for municipalities in Monmouth County through the County's Department of Community Development (hereinafter "Community Development"); and

WHEREAS, the **Borough of Spring Lake** has accepted the offer of the County to administer its program through Community Development;

NOW, THEREFORE, the parties agree as follows:



I. Responsibilities of County.

- (1) The County, through Community Development, shall develop and implement a means by which to identify substandard units occupied by low-and moderate-income households within the **Borough of Spring Lake**.
- (2) The County, through Community Development, shall apprise the low-and moderate-income households residing in substandard units of the opportunity to rehabilitate their dwellings through **Spring Lake's** Rehabilitation Program.
- (3) The County, through Community Development, shall prepare and accept applications for participation in the Rehabilitation Program from all interested parties.
- (4) The County, through Community Development, shall screen all applicants to ensure that they qualify as low-or moderate-income households as defined by COAH after the 1990 Census and certify same on forms acceptable to COAH.
- (5) The County, through Community Development, shall inspect each housing unit to ascertain that each unit is substandard as defined by COAH and shall certify same on forms acceptable to COAH and/or to the Superior Court having jurisdiction over the **Borough of Spring Lake's Mount Laurel** litigation.
- (6) The County, through Community Development, shall inspect the dwellings of all applicants to ensure that the scope of work necessary to bring each respective unit up to code standards is sufficient to necessitate the expenditure of a minimum of at least \$ 8,000.00 in capital costs for all units that will be the subject of a Rehabilitation Program. The County, through Community Development, shall expend no more than the average maximum of **\$ 15,000.00** on any given unit without first obtaining **Spring Lake's** written authorization. If a change order causes the final amount to exceed this limit of \$ 15,000.00, the **Borough of Spring Lake** will be responsible for the additional costs.
- (7) The County, through Community Development, shall advertise and receive bids from contractors for the work necessary to bring substandard units up to code standard and shall prepare all the appropriate documentation and contracts to be executed by (a) the appropriate bidder, (b) the **Borough of Spring Lake** and (c) the owner of the unit. The contract shall require the homeowner to execute a lien in a form acceptable to the **Borough** for the amount of the capital costs expended on the unit pursuant to **Spring Lake's** Rehabilitation Program. The form of the lien shall be prepared by Community Development.

(8) The County, through Community Development, shall inspect the work done by all contractors with respect to each unit that is the subject of the Housing Rehabilitation Program to ensure that the units have been brought up to code standard and that all contractors have fulfilled their respective obligations in a good and workmanlike manner with high quality material pursuant to each respective contract and shall certify same to the **Borough of Spring Lake** on forms acceptable to COAH having jurisdiction over the **Borough of Spring Lake's Mount Laurel** litigation.

(9) The County, through Community Development, shall perform all other tasks necessary to ensure the efficient and proper administration of the Housing Rehabilitation Program and the proper rehabilitation of substandard residential units in the **Borough of Spring Lake** in a fashion satisfactory to the Court based upon the following schedule:

Year	Units Rehabilitated
2001	1
2002	7
2003	3
2004	3
Total Units to be Rehabilitated by <u>December 2004</u> .	14

(10) The County, through Community Development, shall report the progress of the implementation of this Agreement to the **Borough of Spring Lake**. The **Borough** shall then prepare and submit to COAH the necessary reports on the forms and in the manner as COAH may prescribe pursuant to N.J.A.C. 5:93-5.2(1).

(11) The County, through Community Development, shall utilize its Procedural Guide to implement this Agreement consistent herewith and in conformance with the COAH rules N.J.A.C. 5:93-5.2. Community Development shall, if necessary, amend its manual so as to conform with N.J.A.C. 5:93-5.2(k).

(12) The **Borough**, in conjunction with the County, through Community Development, shall provide Affirmative Marketing with respect to these units consistent with applicable COAH requirements on affirmative marketing, as set forth in N.J.A.C. 5:93-5.2(d). Those efforts shall include, at a minimum: A publication in "The Coast Star" newspaper of the availability of the Rehabilitation Program.

All publications and notifications shall identify the deadlines for filing applications to participate in the Housing Rehabilitation Program and the requirements for participation in the program. All applications shall be made available at the County's Community Development Office, Freehold, NJ. The County shall coordinate its marketing plan with the **Borough of Spring Lake** as set forth in Section II (4) below.

- (13) The County, through Community Development, shall continue to run an independent housing rehabilitation program using Community Development Block Grant ("CDBG") monies. The list of houses for the CDBG program shall be independent of the list for the program contemplated herein. The vigor with which the County implements the CDBG program will not be diminished as a result of this agreement. The County shall report to the **Borough of Spring Lake** the number of units rehabilitated pursuant to this Agreement.
- (14) The County, through Community Development, shall utilize forms acceptable to the **Borough of Spring Lake** to ensure the recapture of the funds advanced by the **Borough of Spring Lake** and the securing of a lien in the event of a sale prior to the end of the affordability controls.

II. Responsibilities of Borough of Spring Lake.

- (1) The **Borough of Spring Lake** is responsible for funding fully the program, as needed, to meet the above schedule except to the extent units are rehabilitated with CDBG monies.
- (2) The **Borough of Spring Lake** shall pay the County for the administrative tasks associated with the performance of this contract a fee of **\$ 3,600.00** per unit.
- (3) The **Borough of Spring Lake** shall have the right, upon written notice, to terminate this contract in the event the **Borough of Spring Lake** determines that the cost of the Housing Rehabilitation program is excessive provided (a) that the County shall be compensated for all expenses incurred prior to **Borough's** notification of termination and (b) that in the event a contractor commences work in a unit pursuant to a successful bid, the contractor shall be entitled to complete the work and the **Borough of Spring Lake** shall be responsible for all costs consistent herewith.


- (4) Notwithstanding that the County has the responsibility to affirmatively market the program, the **Borough of Spring Lake** shall periodically place a notice in its newsletters and distribute widely a brochure making the public aware of the availability of the Housing Rehabilitation Program, which notice shall coordinate with the County application period.
- (5) Income eligibility shall be as defined by COAH in N.J.A.C. 5 93-1 1 et seq.
- (6) The term of the affordability controls shall be as established in N.J.A.C. 5:93-5.2(g) (currently **6** years).
- (7) The **Borough of Spring Lake** shall not materially change the terms or conditions of its rehabilitation housing program without prior notice to the County which notice shall be given at least six months prior to any material change.
- (8) No household which has previously received rehabilitation funding through another housing rehabilitation program shall be eligible to receive further funding through the program contemplated herein.

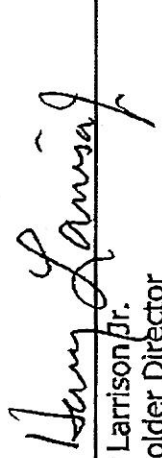
III. Responsibilities Applicable to Both Parties.

- (1) The Rehabilitation Program is intended to be a **Borough-wide** program and not intended to target specific areas of the **Borough**.
- (2) The parties represent that this is the agreement and that same may not be modified without the express written consent of both parties.
- (3) The Agreement shall be binding on all successors and/or assigns.
- (4) This Agreement shall be construed, interpreted and enforced in accordance with the laws of the State of New Jersey in such a fashion as to fulfill the intents and purposes of the Fair Housing Act.

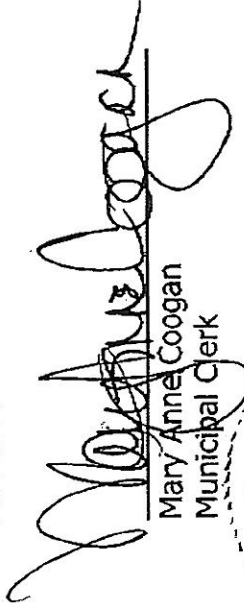
MONMOUTH COUNTY BOARD OF
CHOSEN FREEHOLDERS

ATTEST:


Richard C. Wenner
Clerk to the Board of Chosen
Freeholders

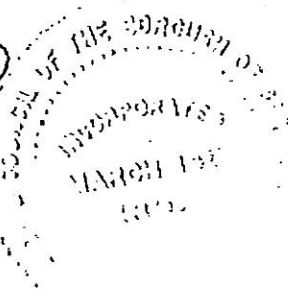

Harry Harrison Jr.
Freeholder Director

ATTEST:


Mary Anne Coogan
Municipal Clerk

BOROUGH OF SPRING LAKE


Thomas J. Byrne III
Mayor



Resolution No. 01-958

RESOLUTION AUTHORIZING THE DIRECTOR OF THE MONMOUTH
COUNTY BOARD OF CHOSEN FREEHOLDERS TO EXECUTE A SERVICE
AGREEMENT WITH THE **BOROUGH OF SPRING LAKE** TO ADMINISTER THE
MOUNT LAUREL INDIGENOUS NEED REHABILITATION PROGRAM

Freeholder NAROZANICK offered the following resolution and moved
its adoption

WHEREAS, the **Borough of Spring Lake** has determined that there are
units in need of rehabilitation located in the **Borough of Spring Lake**; and

WHEREAS, the Monmouth County Board of Chosen Freeholders has
offered the services of its Community Development Program staff to the
Borough of Spring Lake for the administration of its Indigenous Need
Rehabilitation Program; and

WHEREAS, the **Borough of Spring Lake** has decided that it is in their
residents best interests to develop an Indigenous Need Rehabilitation Program
and to accept the County's offer of administering the **Borough of Spring Lake**
Indigenous Need Rehabilitation Program; and

WHEREAS, the County of Monmouth has agreed to provide this service for
a fee of \$ **3,600.00** per unit since it is in the best interests of the residents of
the County.

NOW, THEREFORE, BE IT RESOLVED, by the Monmouth County Board of
Chosen Freeholders that the **Borough of Spring Lake** Service Agreement
attached hereto be and the same is hereby approved and authorized.

BE IT FURTHER RESOLVED, that the Director of the Monmouth County
Board of Chosen Freeholders be and he is hereby authorized to execute the
Service Agreement and any and all other such documents as may be necessary
to administer the **Borough of Spring Lake** Indigenous Need Rehabilitation
Program.

APPENDIX J

DRAFT SPENDING PLAN

Affordable Housing Trust Fund Spending Plan

INTRODUCTION

The Borough of Spring Lake, Monmouth County has prepared a Housing Element and Fair Share plan that addresses its regional fair share of the affordable housing need in accordance with the Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.), the Fair Housing Act (N.J.S.A. 52:27D-301) and the regulations of the Council on Affordable Housing (COAH) (N.J.A.C. 5:97-1 et seq. and N.J.A.C. 5:96-1 et seq.). A development fee ordinance creating a dedicated revenue source for affordable housing was approved by COAH on _____ and adopted by the municipality on _____. The ordinance establishes the *Borough of Spring Lake* affordable housing trust fund for which this spending plan is prepared.

As of July 17, 2008, *Borough of Spring Lake* has collected \$ _____, expended \$ _____, resulting in a balance of \$ _____. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls, and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in *JP Morgan Chase Bank* for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9 as described in the sections that follow.

[If your municipality maintained an affordable housing trust fund as part of a previous third round petition under N.J.A.C. 5:94 or second round substantive certification, please complete the following section.]

Borough of Spring Lake first petitioned COAH for substantive certification on _____ and received prior approval to maintain an affordable housing trust fund on _____. As of December 31, 2004, the prior round balance remaining in the affordable housing trust fund was \$ _____. From January 1, 2005 through July 17, 2008, *Borough of Spring Lake* collected an additional \$ _____ in development fees, payments in lieu of construction, other funds, and/or interest. From January 1, 2005 through July 17, 2008, *Borough of Spring Lake* expended funds on the affordable housing activities detailed in section 4 of this spending plan.

1. REVENUES FOR CERTIFICATION PERIOD

To calculate a projection of revenue anticipated during the period of third round substantive certification, *Borough of Spring Lake* considered the following:

(a) Development fees:

1. Residential and nonresidential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
2. All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
3. Future development that is likely to occur based on historical rates of development.

(b) Payment in lieu (PIL):

Actual and committed payments in lieu (PIL) of construction from developers as follows:

[List affordable housing sites from inclusionary zone(s) where the developer(s) has made or committed to make a PIL along with the associated PIL amount(s). If payments in lieu have not been collected or assessed, so indicate. Please note that while all other fund sources include projected revenues, PIL funds are based only on actual revenues]

(c) Other funding sources:

Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income, proceeds from the sale of affordable units and _____.

(d) Projected interest:

Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

SOURCE OF FUNDS	PROJECTED REVENUES-HOUSING TRUST FUND - 2008 THROUGH 2018											
	7/18/08 Through 12/31/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
(a) Development fees:												
1. Approved Development												
2. Development Pending Approval												
3. Projected Development												
(b) Payments in Lieu of Construction												
(c) Other Funds (Specify source(s))												
(d) Interest												
Total												

The Borough of Spring Lake projects a total of \$ _____ in revenue to be collected between July 18, 2008 and December 31, 2018. All interest earned on the account shall accrue to the account to be used only for the purposes of affordable housing.

2. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

The following procedural sequence for the collection and distribution of development fee revenues shall be followed by *Borough of Spring Lake*:

(a) Collection of development fee revenues:

Collection of development fee revenues shall be consistent with *Borough of Spring Lake*'s development fee ordinance for both residential and non-residential developments in accordance with COAH's rules and P.L.2008, c.46, sections 8 (C. 52:27D-329.2) and 32-38 (C. 40:55D-8.1 through 8.7).

(b) Distribution of development fee revenues:

3. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

(a) **Rehabilitation and new construction programs and projects (N.J.A.C. 5:97-8.7)**

Borough of Spring Lake will dedicate \$ _____ to rehabilitation or new construction programs (see detailed descriptions in Fair Share Plan) as follows:

Rehabilitation program: \$ _____

New construction project(s): \$ _____

(b) **Affordability Assistance (N.J.A.C. 5:97-8.8)**

[Municipalities are required to spend a minimum of 30 percent of development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30 percent of the regional median income). Utilize the formulae below to project the minimum affordability assistance requirements. The actual affordability assistance minimums are calculated on an ongoing basis in the CTM system based on actual revenues.]

To initially project a funding amount that will be dedicated to affordability assistance, first subtract actual expenditures on all new construction, previously funded regional contribution agreements and rehabilitation activities from inception of the fund through June 2, 2008 from the sum of actual and projected development fees and interest through December 31, 2018. Multiply this amount by 30 percent and then subtract actual affordability assistance expenditures from inception of the fund through December 31, 2004 from the result. The outcome of this calculation will be

the total remaining funds that must be dedicated to affordability assistance for the period January 1, 2005 through December 31, 2018.

To initially project a funding amount that will be dedicated to affordability assistance for very low-income households, divide the affordability assistance figure derived from the above paragraph by three. The outcome of this calculation will be the total remaining funds that must be dedicated to very low-income affordability assistance for the period January 1, 2005 through December 31, 2018. Municipalities will receive credit against this projected minimum for affordability assistance activity from January 1, 2005 to the present.]

Projected minimum affordability assistance requirement:

Actual development fees through 7/17/2008		\$
Actual interest earned through 7/17/2008	+	\$
Development fees projected* 2008-2018	+	\$
Interest projected* 2008-2018	+	\$
Less housing activity expenditures through 6/2/2008	-	\$
Total	=	
30 percent requirement	x 0.30 =	\$
Less Affordability assistance expenditures through 12/31/2004	-	\$
PROJECTED MINIMUM Affordability Assistance Requirement 1/1/2005 through 12/31/2018	=	\$
PROJECTED MINIMUM Very Low-Income Affordability Assistance Requirement 1/1/2005 through 12/31/2018	÷ 3 =	\$

* Note: The 2008 portion of this projection reflects 2008 subsequent to July 17 as the remainder of 2008 is included in the actual figure reported above.

Borough of Spring Lake will dedicate \$ _____ from the affordable housing trust fund to render units more affordable, including \$ _____ to render units more affordable to households earning 30 percent or less of median income by region, as follows:

[List affordability assistance programs such as down-payment assistance, rental assistance, converting low-income units to very-low-income units, etc.]

(c) **Administrative Expenses (N.J.A.C. 5:97-8.9)**

[Municipalities are permitted to use affordable housing trust fund revenue for related administrative costs up to a 20 percent limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the CTM system based on actual revenues.]

To initially project a funding amount that will be available for administrative costs, sum all development fees actually collected since the inception of the account and all actual interest earned since the inception of the account with all projected development fees and interest projected to be collected through December 31, 2018. To this amount, add all payments in lieu of constructing affordable units and other account deposits from the inception of the account through July 17, 2008. From this total amount, subtract RCA expenditures made or contractually obligated from the inception of the account through December 31, 2018. Multiply this amount by 20 percent and then subtract actual administrative expenditures made from the inception of the account through December 31, 2004. The outcome of this calculation will be the total remaining funds that will be available to defray administrative expenses for the period January 1, 2005 through December 31, 2018.]

Borough of Spring Lake projects that \$ _____ will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20 percent cap, are as follows:

[Provide detailed description]

4. EXPENDITURE SCHEDULE

The Borough of Spring Lake intends to use affordable housing trust fund revenues for the creation and/or rehabilitation of housing units. Where applicable, the creation/rehabilitation funding schedule below parallels the implementation schedule set forth in the Housing Element and Fair Share Plan and is summarized as follows.

[In developing this spending plan, it is important to note that all funds in the municipal trust fund as of July 17, 2008 must be fully expended or committed to be expended within four years of COAH's approval of the spending plan.]

[A sample spreadsheet format is provided below.]

5. EXCESS OR SHORTFALL OF FUNDS

Pursuant to the Housing Element and Fair Share Plan, the governing body of *Borough of Spring Lake* has adopted a resolution agreeing to fund any shortfall of funds required for implementing _____. In the event that a shortfall of anticipated revenues occurs, *Borough of Spring Lake* will _____. A copy of the adopted resolution is attached.

[COAH requires a municipality to pass a resolution of intent to bond or a resolution appropriating funds from general revenue for any unanticipated shortfall in a municipal rehabilitation program or municipal construction project.]

In the event of excess funds, any remaining funds above the amount necessary to satisfy the municipal affordable housing obligation will be used to _____.

6. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with *Borough of Spring Lake's* Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5.

[Reference section of Affordable Housing Ordinance that explains the collection and distribution of barrier free funds.]

SUMMARY

Borough of Spring Lake intends to spend affordable housing trust fund revenues pursuant to N.J.A.C. 5:97-8.7 through 8.9 and consistent with the housing programs outlined in the housing element and fair share plan dated _____.

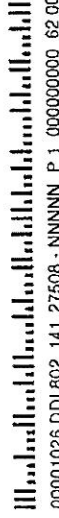
Borough of Spring Lake has a balance of \$ _____ as of July 17, 2008 and anticipates an additional \$ _____ in revenues before the expiration of substantive certification for a total of \$ _____. The municipality will dedicate \$ _____ towards _____, \$ _____ to render units more affordable, and \$ _____ to administrative costs. Any shortfall of funds will be offset by _____. The municipality will dedicate any excess funds toward _____.

SPENDING PLAN SUMMARY		
Balance as of July 17, 2008		\$
PROJECTED REVENUE July 18, 2008-2018		
Development fees	+	\$
Payments in lieu of construction	+	\$
Other funds	+	\$
Interest	+	\$
TOTAL REVENUE	=	\$
EXPENDITURES		
Funds used for Rehabilitation	-	\$
Funds used for New Construction		
1. <i>[list individual projects/programs]</i>	-	\$
2.	-	\$
3.	-	\$
4.	-	\$
5.	-	\$
6.	-	\$
7.	-	\$
8.	-	\$
9.	-	\$
10.	-	\$
Affordability Assistance	-	\$
Administration	-	\$
Excess Funds for Additional Housing Activity	=	\$
1. <i>[list individual projects/programs]</i>	-	\$
2.	-	\$
3.	-	\$
TOTAL PROJECTED EXPENDITURES	=	\$
REMAINING BALANCE	=	\$0.00



JPMorgan Chase Bank, N.A.
Northeast Market
P O Box 260180
Baton Rouge, LA 70826-0180

August 30, 2008 through September 30, 2008
Account Number: **000006106479672**



00001026 DDI 802 141 27508 · NNNNN P 1 000000000 62 0000
BOROUGH OF SPRING LAKE
MT LAUREL ACCOUNT
SUSAN M SCHRECK
423 WARREN AVE
SPRING LAKE NJ 07762-1299

CUSTOMER SERVICE INFORMATION

If you have any questions about your statement, please contact your Customer Service Professional.



CHECKING SUMMARY

Commercial Checking With Interest

	INSTANCES	AMOUNT
Beginning Balance		\$1,036,862.75
Deposits and Additions	6	20,610.80
Checks Paid	1	- 2,040.00
Ending Balance	7	\$1,055,433.55

Interest Paid This Period \$900.80
Interest Paid Year-to-Date \$8,234.32

DEPOSITS AND ADDITIONS

DATE	DESCRIPTION	AMOUNT
09/08	Deposit	\$1,185.00
09/24	Deposit	5,500.00
09/26	Deposit	4,150.00
09/29	Deposit	475.00
09/30	Deposit	8,400.00
09/30	Interest Payment	900.80
Total Deposits and Additions		\$20,610.80

CHECKS PAID

CHECK NUMBER	DATE PAID	AMOUNT
111	09/18	\$2,040.00
Total Checks Paid		\$2,040.00

Your service charges, fees and earnings credit have been calculated through account analysis.



August 30, 2008 through September 30, 2008
Account Number: 000006106479672

DAILY ENDING BALANCE

DATE	AMOUNT
09/08	\$1,038,047.75
09/18	1,036,007.75
09/24	1,041,507.75
09/26	1,045,657.75
09/29	1,046,132.75
09/30	1,055,433.55

INTEREST RATE ON COLLECTED BALANCE

EFFECTIVE DATE	\$0 - \$9,999	\$10,000 - \$24,999	\$25,000 +
08/30	0.90%	0.90%	0.90%
09/02	1.00%	1.00%	1.00%



APPENDIX K

DRAFT ESCROW AGREEMENT

Escrow Agreement for Housing Trust Fund

NOTE: *In order for COAH to execute a three-party escrow agreement, the municipality must submit three copies of the agreement, all with original signatures from the municipal representative and the bank representative.*

This Escrow Agreement made this ____ day of ____, ____, by and between the Council on Affordable Housing (COAH) and Borough of Spring Lake and JP Morgan Chase Bank (the Bank).

WHEREAS, a municipality may impose, collect and spend development fees and establish an affordable housing trust fund that includes, development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with Borough of Spring Lake's affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq.; and

WHEREAS, on ____, 2008 COAH approved the *Borough of Spring Lake* Development Fee Ordinance establishing standards for the collection, maintenance and expenditure of development fees consistent with COAH's rules and P.L.2008, c.46 (C. 52:27D-329.1 et al) and requiring that funds shall only be applied directly toward implementation of Borough of Spring Lake's COAH-certified Fair Share Plan or Court Judgment of Compliance; and

WHEREAS, on ____ the governing body of Borough of Spring Lake adopted Ordinance No. ____, the Development Fee Ordinance of Borough of Spring Lake, amending the Municipal Code; and

[Select one of the following two statements which pertains to your municipality.]

WHEREAS, on ____ COAH approved the *Borough of Spring Lake* Spending Plan establishing standards for the expenditure of development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq.; and

[or]

WHEREAS, COAH has not yet approved a spending plan for *Borough of Spring Lake*, *Borough of Spring Lake* acknowledges that no expenditure of development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. may occur prior to COAH's approval of a spending plan; and

WHEREAS, the Development Fee Ordinance requires an interest-bearing housing trust fund to be established for the purpose of receiving collected development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. and provides that no money shall be expended from the housing trust fund unless the expenditure conforms to the Development Fee Ordinance, a spending plan approved by COAH and the conditions set out at N.J.A.C. 5:97-8.7-8.9; and

WHEREAS, COAH's approval of the Development Fee Ordinance further requires *Borough of Spring Lake*, within seven days of opening the trust fund account authorized by the ordinance, to enter into an escrow agreement with COAH pursuant to N.J.A.C. 5:97-8.2(a) to enable COAH to monitor disbursement of collected development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. and to direct the forfeiture of such funds after proper notice if their imposition, collection and/or expenditure are not in conformance with the terms of the approved Development Fee Ordinance, the conditions set out at N.J.A.C. 5:97-8.13(a), the spending plan approved by COAH, and P.L.2008, c.46 (C. 52:27D-329.1 et al); and

WHEREAS, the Development Fee Ordinance further provides that if COAH determines that the imposition, collection, and/or expenditure of development fees are not in conformance with the terms of the approved Development Fee Ordinance, approved spending plan, and P.L.2008, c.46 (C. 52:27D-329.1 et al), COAH may, after a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., revoke a Development Fee Ordinance approval and direct the transfer of funds including future collection of non-residential development fees to the New Jersey Affordable Housing Trust Fund.

NOW THEREFORE, COAH, *Borough of Spring Lake* and the Bank agree as follows:

1. Designation of Escrow Agent

COAH and *Borough of Spring Lake* hereby designate *JP Morgan Chase Bank* (the Bank) as their escrow agent, upon terms and conditions set forth herein, for the purpose of (a) receiving development fees, payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. collected by *Borough of Spring Lake*, (b) holding such sums in the escrow account hereinafter described, and (c) disbursing the monies upon the direction of the _____ of *Borough of Spring Lake* consistent with the spending plan approved by COAH.

2. Escrow Account

Borough of Spring Lake shall deposit all development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. with the escrow agent and said escrow agent shall establish a separate, interest bearing account to be known as ____ (the Account) and shall deposit therein such initial funds, as well as all subsequent development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq. received from *Borough of Spring Lake*. At no time shall the escrow agent co-mingle the funds deposited in the Account with any other funds or accounts held or maintained by the escrow agent, nor shall the escrow agent at any time set off any amount on deposit in the Account against (a) any indebtedness owed to the escrow agent by *Borough of Spring Lake* or any other party, (b) any other obligation owed to the escrow agent by *Borough of Spring Lake* or any other party, or (c) any claim which the escrow agent may have against *Borough of Spring Lake* or any other party.

3. Application of Amounts on Deposit

The funds in the Account shall only be used for eligible affordable housing activities of *Borough of Spring Lake* as set forth in a spending plan approved by COAH. The Bank shall

disburse funds in the Account upon the direction of the _____ of *Borough of Spring Lake*, unless notified otherwise by COAH.

4. Cessation of Disbursements from Funds and Forfeiture of Funds to the "New Jersey Affordable Housing Trust Fund" established pursuant to section 20 of P.L.1985, c.222 (C.52:27D-320)

COAH shall have the authority to halt disbursements by *Borough of Spring Lake* from the Account upon written notice to the Bank and to direct all remaining funds to the New Jersey Affordable Housing Trust Fund. COAH shall have such authority if it determines, after notice to *Borough of Spring Lake*, that the municipality is not in compliance with all conditions set out in N.J.A.C. 5:97-8.13(a), the Spending Plan and the Development Fee Ordinance. Upon receipt of written notice to cease disbursements from the Account, the Bank shall immediately halt disbursements by *Borough of Spring Lake* until further written notice from COAH. The Bank shall allow the transfer of funds by COAH to the New Jersey Affordable Housing Trust Fund on behalf of *Borough of Spring Lake*. COAH shall provide the *Borough of Spring Lake* municipal clerk and chief financial officer with copies of all written notices.

In the event that any of the following conditions, as set out in N.J.A.C. 5:97-8.13(a) occur, COAH shall be authorized on behalf of *Borough of Spring Lake* and consistent with its rules and P.L.2008, c.46 (C. 52:27D-329.1 et al), to transfer all development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program in accordance with P.L.2008, c.46 (C. 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1 et seq., to the New Jersey Affordable Housing Trust Fund :

- a. Failure to meet deadlines for information required by COAH in its review of a Housing Element and Fair Share Plan, development fee ordinance or plan for spending fees;
- b. Failure to address COAH's conditions for approval of a plan to spend development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program within the deadlines imposed by COAH;
- c. Failure to address COAH's conditions for substantive certification within deadlines imposed by COAH;
- d. Failure to submit accurate annual monitoring reports pursuant to N.J.A.C. 5:97-8.12(a) within the time limits imposed by COAH;
- e. Failure to implement the Spending Plan and expend the funds within the time schedules specified in the Spending Plan, including the requirement to spend the remaining trust

fund balance pursuant to N.J.A.C. 5:97-8.10(a)8 and collected fees pursuant to P.L.2008, c.46 (C.52:27D-329.2(8.d) & C.52:27D-329.3(9.b)) within four years;

- f. Expenditure of development fees; payments from developers in lieu of constructing affordable units on-site; developer-contributed funds to make ten percent (10%) of the adaptable entrances in a townhouse or other multistory attached development accessible; rental income from municipally operated units; repayments from affordable housing program loans; recapture funds; proceeds from the sale of affordable units; and/or any other funds collected in connection with *Borough of Spring Lake's* affordable housing program on activities not permitted by COAH;
- g. Revocation of certification; or
- h. Other good cause demonstrating that the revenues are not being used for the approved purpose.

5. Standard of Care; Indemnification

The Bank shall use reasonable care and due diligence in the performance of all of its duties hereunder. *Borough of Spring Lake* shall indemnify COAH and hold it harmless from and against all liabilities, losses or damages incurred under COAH with respect to any action COAH may take under this escrow agreement with the exception of liabilities, losses or damages solely caused by negligent acts, omissions, errors or willful misconduct by COAH.

6. Records and Accounts

The Bank shall keep accurate financial records and accounts of all transactions relating to the Account, including but not limited to all deposits to the Account, disbursements from the Account and interest earned on the Account which shall be made available for inspection by COAH and *Borough of Spring Lake*, or their respective designees, at any reasonable time. *Borough of Spring Lake* shall provide COAH with reports on a quarterly basis, which set forth the amount, date and description of all activity from the Account as well as other information COAH may require to monitor the Account.

7. Notices

All notices, certificates or other communications hereunder shall be delivered by hand or mailed by certified mail to the parties at the following addresses:

- a. If to COAH: Executive Director
New Jersey Council on Affordable Housing
101 South Broad Street
PO Box 813
Trenton, NJ 08625-0813
- b. If to Municipality: Municipal Clerk and Chief Financial Officer
Borough Hall
423 Warren Avenue
Spring Lake, New Jersey 07762
- c. If to Bank: _____

Any of the parties may hereby designate different or additional addresses by notice in writing given to the other parties.

8. Further Assistance

The parties hereto shall authorize, execute, acknowledge and deliver such further resolutions, assurances and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights and interests granted hereunder.

9. Agreement Subject to the Fair Housing Act

This agreement is subject to the Fair Housing Act, P.L.2008, c.46 (C. 52:27D-329.1 et al) and the rules of COAH set forth at N.J.A.C. 5:97-8.1 et seq., and nothing contained herein shall be interpreted to limit or restrict in any way the discretion and authority vested in COAH by the Act or rules.

10. Amendments

This agreement may not be amended, supplemented or modified except by a written instrument executed by all the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date set forth above.

Date

_____, on behalf of *Borough of Spring Lake*

Date

Lucy Vandenberg, Executive Director
on behalf of the New Jersey Council
on Affordable Housing (COAH)

Date

_____, on behalf of _____

APPENDIX L

EXISTING RESOLUTION OF INTENT TO BOND (NO. 128-2006)

in which said judgment shall have been rendered and all other provisions of this Ordinance shall remain in full force and effect.

Section 5. Inconsistent Ordinances Repealed.

All ordinances or parts of ordinances which are inconsistent with the provisions of this ordinance are hereby repealed, but only to the extent of such inconsistencies.

Section 6. Effective Date.

This Ordinance shall take effect immediately upon final adoption and publication in the manner prescribed by law.

Motion by Councilman Rizzo, seconded by Councilwoman Venables, that Ordinance No. 15 be introduced and passed on first reading and posted and published according to law with a notice of hearing to be held on August 8, 2006 at 7:00 P.M. or as soon thereafter as the matter may be reached. The Mayor put the motion on on roll call Council Members Rizzo, Quinn, Erbe, Venables, Reilly and Patterson voted ye. None no. The Mayor declared the motion carried.

APPROVED: _____

Mayor

Motion by Councilman Erbe, seconded by Councilman Quinn, that Resolution No. 128-2006 be approved:

**RESOLUTION NO. 128-2006
BOROUGH OF SPRING LAKE
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

**RESOLUTION OF SPRING LAKE BOROUGH COUNCIL OF ITS INTENT TO
BOND FOR SHORTFALL**

WHEREAS, Spring Lake, in Monmouth County, has petitioned the Council On Affordable Housing (COAH) for substantive certification of its adopted housing element and fair share plan; and,

WHEREAS, COAH has determined that Spring Lake must allocate funds for the creation of four (4) accessory apartments; and,

WHEREAS, Spring Lake anticipates that funding will come from the following sources to satisfy said obligation: its affordable housing trust fund; and,

WHEREAS, in the event that the above funding sources prove inadequate to meet Spring Lake's funding obligation, Spring Lake shall provide sufficient funding to address any shortfalls.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of Spring Lake Borough, County of Monmouth, State of New Jersey, that the Borough Council

does hereby agree to fund any shortfall in its affordable housing program that may arise whether due to inadequate funding from other sources or for any other reason; and,

BE IT FURTHER RESOLVED that said shortfall shall be funded by bonding if there are no other resources.

The Mayor put the motion and on roll call Council Members Rizzo, Quinn, Erbe, Venables, Reilly and Patterson voted aye. None no. The Mayor declared the motion carried.

APPROVED: 
Mayor

Eric Bernstein, Mt. Laurel Counsel, discussed his letter of July 17, 2006 regarding the Borough's Round Three Affordable Housing Obligations.

Motion by Councilwoman Venables, seconded by Councilman Reilly, that Schoor DePalma be designated to serve as the Borough's planner for reexamination of the Borough's affordable housing component of its revised master plan, and, to work with Borough representatives and the Borough's Planning Board to produce said affordable housing reexamination of the Borough's Master Plan. The Mayor put the motion and on roll call Council Members Rizzo, Quinn, Erbe, Venables, Reilly and Patterson voted aye. None no. The Mayor declared the motion carried.

APPROVED: 
Mayor

Motion by Councilman Erbe, seconded by Councilwoman Venables, that the following resolution be approved:

WHEREAS, Section 7 of the Open Public Meetings Act, Chapter 231, Public Laws of 1975 (N.J.S.A. 10:4-12) permits the exclusion of the public from a meeting in certain circumstances; and

WHEREAS, this public body is of the opinion that such circumstances presently exist.

NOW, THEREFORE BE IT RESOLVED by the Mayor and Borough Council of the Borough of Spring Lake, in the County of Monmouth and State of New Jersey as follows:

1. The Public shall be excluded from discussion of any actions upon the hereinafter specified subject matter(s).
5. The general nature of the subject matter to be discussed is as follows:
Legal and Contractual Matters
6. It is anticipated at this time that the above stated subject matter(s) may be made public.

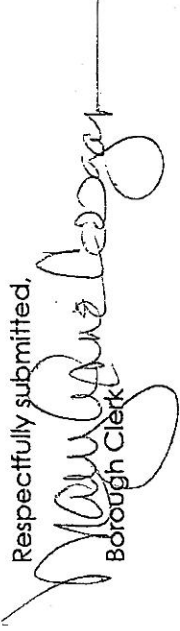
7. This resolution shall become effective immediately.

The Mayor put the motion and on roll call Council Members all voted aye. None no. The Mayor declared the motion carried. Time 9:30 P.M.

Motion by Councilwoman Vendables, seconded by Councilman Erbe, that the Executive Session be closed. The Mayor put the motion and on roll call Council Members all voted aye. None no. The Mayor declared the motion carried. Time 9:58 P.M.

Motion by Councilman Erbe, seconded by Councilman Rizzo, that the meeting adjourn. The Mayor put the motion and on roll call Council Members all voted aye. None no. The Mayor declared the motion carried. Time 9:59 P.M.

Respectfully submitted,


Borough Clerk

APPENDIX M

DRAFT RESOLUTION OF INTENT TO BOND

RESOLUTION OF GOVERNING BODY OF INTENT TO BOND FOR SHORTFALL

WHEREAS, Spring Lake in Monmouth County has petitioned the Council On Affordable Housing (COAH) for substantive certification of its adopted housing element and fair share plan; and

WHEREAS, COAH has determined that Spring Lake must allocate funds for the creation of four (4) apartments; and

WHEREAS, Spring Lake anticipates that funding will come from the following sources to satisfy said obligation: its affordable housing trust fund; and

WHEREAS, in the event that the above funding sources prove inadequate to meet Spring Lake's funding obligation, Spring Lake shall provide sufficient funding to address any shortfalls.

NOW THEREFORE BE IT RESOLVED by the governing body of Spring Lake, Monmouth County, State of New Jersey, that the governing body does hereby agree to fund any shortfall in its affordable housing program that may arise whether due to inadequate funding from other sources or for any other reason; and

BE IT FURTHER RESOLVED that said shortfall shall be funded by bonding if there are no other resources.

Adopted: _____

Certified by: _____

APPENDIX N

DRAFT AFFORDABLE HOUSING ORDINANCE

Ordinance No. _____
Affordable Housing Ordinance
Borough of Spring Lake, Monmouth County

AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE BOROUGH OF SPRING LAKE TO ADDRESS THE REQUIREMENTS OF THE COURT AND THE COUNCIL ON AFFORDABLE HOUSING (COAH) REGARDING COMPLIANCE WITH THE BOROUGH'S PRIOR ROUND AND THIRD ROUND AFFORDABLE HOUSING OBLIGATIONS

BE IT ORDAINED by the governing body of the Borough of Spring Lake, Monmouth County, New Jersey, that the Zoning Ordinance of the of the Borough of Spring Lake is hereby amended to include provisions addressing Spring Lake's constitutional obligation to provide for its fair share of low- and moderate-income housing, consistent with N.J.A.C. 5:97-1, et seq., as may be amended and supplemented, and N.J.A.C. 5:80-26.1, et seq., as may be amended and supplemented, and pursuant to the New Jersey Fair Housing Act of 1985. This Ordinance is intended to provide assurances that low and moderate income units ("affordable units") are created with controls on affordability over time and that low and moderate income households shall occupy these units. This Ordinance shall apply except where inconsistent with applicable law.

The Spring Lake Borough Planning Board has adopted a Housing Element and Fair Share Plan pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq. The Fair Share Plan has been endorsed by the governing body. The Fair Share Plan describes the methods by which Spring Lake shall address its fair share for low and moderate income housing as determined by the court and documented in the Housing Element. This Ordinance implements and incorporates the Fair Share Plan and addresses the requirements of N.J.A.C. 5:97-1, et seq., as may be amended and supplemented. Spring Lake shall annually file a monitoring report with COAH delineating the status of the implementation of the Housing Element and Fair Share Plan and this report shall be available to the public at the Spring Lake Borough Hall, Borough Clerk's Office, 423 Warren Avenue, Spring Lake, New Jersey, 07762 and from COAH at P.O. Box 813, Trenton, New Jersey 08625-0813.

Section 1. Municipal Fair Share Obligation

The Borough of Spring Lake has a fair share obligation consisting a 40-unit rehabilitation share, a 132-unit Cycle I/Cycle II obligation, and a 3-unit Cycle III growth share obligation. The Court reduced the Borough's Realistic Development Potential (RDP) to zero (0) units. The Borough has an unmet need of 132 units. This RDP carries forward to the Third Round. The Housing Element and Fair Share Plan have been prepared based upon the 132-unit unmet need, 40-unit rehabilitation obligation and a 3-unit growth share projection.

Section 2. Definitions

The following terms when used in this Ordinance shall have the meanings given in this Section:

“Administrative Agent” means the entity responsible for administering the affordability controls of this Ordinance with respect to the restricted (affordable housing) units, and designated as such pursuant to N.J.A.C. 5:80-26.14, as may be amended and supplemented.

“Affordability average” means the average percentage of median income at which restricted units in an affordable housing development are affordable to low- and moderate-income households.

“Affordable” means, in the case of an ownership unit, that the sales price for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.6, as may be amended and supplemented, and, in the case of a rental unit, that the rent for the unit conforms to the standards set forth in N.J.A.C. 5:80-26.12, as may be amended and supplemented.

“Affordable development” means a housing development all or a portion of which consists of restricted units.

“Agency” means the New Jersey Housing and Mortgage Finance Agency established by P.L. 1983, c. 530 (N.J.S.A. 55:14K-1, et seq.) that is in, but not of, the Department of Community Affairs of the State of New Jersey.

“Age-restricted unit” means a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1. all the residents of the development where the unit is situated are 62 years or older; or 2. at least 80 percent of the units are occupied by one person that is 55 years or older; or 3. the development has been designated by the Secretary of the U.S. Department of Housing and Urban Development as “housing for older persons” as defined in Section 807(b)(2) of the Fair Housing Act, 42 U.S.C. § 3607.

“Assisted living residence” means a facility that is licensed by the New Jersey Department of Health and Senior Services to provide apartment-style housing and congregate dining and to assure that assisted living services are available when needed for four or more adult persons unrelated to the proprietor and that offers units containing, at a minimum, one unfurnished room, a private bathroom, a kitchenette and a lockable door on the unit entrance.

“Certified household” means a household that has been certified by an Administrative Agent as a low-income household or moderate-income household.

“COAH” means the Council on Affordable Housing, which is in, but not of, the Department of Community Affairs of the State of New Jersey, that was established under the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301, et seq.).

“DCA” means the State of New Jersey Department of Community Affairs.

“Low-income household” means a household with a total gross annual household income equal to 50 percent or less of the median household income.

“Low-income unit” means a restricted unit that is affordable to a low-income household.

“Median income” means the median income by household size for the applicable county, as adopted annually by COAH.

“Moderate-income household” means a household with a total gross annual household income in excess of 50 percent but less than 80 percent of the median household income.

“Moderate-income unit” means a restricted unit that is affordable to a moderate-income household.

“Non-exempt sale” means any sale or transfer of ownership other than the transfer of ownership between husband and wife; the transfer of ownership between former spouses ordered as a result of a judicial decree of divorce or judicial separation, but not including sales to third parties; the transfer of ownership between family members as a result of inheritance; the transfer of ownership through an executor’s deed to a class A beneficiary and the transfer of ownership by court order.

“Random selection process” means a process by which currently income-eligible households are selected for placement in affordable housing units such that no preference is given to one applicant over another except for purposes of matching household income and size with an appropriately priced and sized affordable unit (e.g., by lottery).

“Regional asset limit” means the maximum housing value in each housing region affordable to a four-person household with an income at 80 percent of the regional median as defined by COAH’s adopted Regional Income Limits published annually by COAH.

“Rent” means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

“Restricted unit” means a dwelling unit, whether a rental unit or ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as may be amended and supplemented, but does not include a market-rate unit financed under UHORP or MONI.

Section 3. Affordable Housing Programs

Spring Lake has determined that it will use the following programs to satisfy its affordable housing obligations:

1. A rehabilitation program. See Section 4.

2. The Warren Avenue project, located on Block 62, Lot 11.01, is comprised of a 100% affordable housing project consisting of four (4) family rental apartments.

The following general guidelines apply to all developments that contain low-and moderate-income housing units, including any currently unanticipated future developments that will provide low and moderate income housing units.

Section 4. Rehabilitation

1. Spring Lake's rehabilitation program shall be designed to renovate deficient housing units occupied by low and moderate-income households such that, after rehabilitation, these units will comply with the New Jersey State Housing Code pursuant to N.J.A.C. 5:28. The rehabilitation program shall be divided into two segments, an owner occupancy rehabilitation program and a renter occupancy rehabilitation program.
2. Spring Lake hereby designates _____ as the Administrative Agent for both portions of its rehabilitation programs.
3. Both renter occupied and owner occupied units shall be eligible for rehabilitation funds.
4. All rehabilitated units shall remain affordable to low and moderate-income households for a period of 10 years or, in the case of owner occupied units, for the length of the lien placed upon the rehabilitated unit. For owner occupied units the control period will be enforced with a lien and for renter occupied units, the control period will be enforced with a deed restriction.
5. Spring Lake shall dedicate a minimum of \$10,900 for each rental unit to be rehabilitated through this program, with \$10,000 reflecting the minimum hard cost of rehabilitation for each unit and \$900 reflecting the cost of the _____'s administrative services for each rental unit. The owner occupied units to be rehabilitated shall be rehabilitated by _____ via an Interlocal Services Agreement using outside sources of funding. The Borough of Spring Lake shall adopt a resolution committing to fund any shortfall in the rehabilitation programs for the Borough of Spring Lake.
6. The Administrative Agent shall provide a rehabilitation manual for the owner occupancy rehabilitation program, and the Borough of Spring Lake shall prepare and adopt by resolution of the governing body, a rehabilitation manual for the rental occupancy rehabilitation program to be administered by the Administrative Agent. Both rehabilitation manuals shall be available for public inspection in the Office of the Borough Clerk and at _____.

Section 5. Phasing Schedule for Inclusionary Zoning

In all zones that will contain both affordable housing and market rate housing units and/or market rate non-residential development, the following schedule shall be followed:

Maximum Percentage of Market-Rate
Units or Floor Area Completed

Minimum Percentage of Low- and
Moderate-Income Units Completed

25	0
25+1	10
50	50
75	75
90	100

Section 6. New Construction

A. Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:

1. The fair share obligation shall be divided equally between low- and moderate-income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low income unit.

2. In each affordable development, at least 50 percent of the restricted units within each bedroom distribution shall be low-income units.

3. Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:

a. The combined number of efficiency and one-bedroom units shall be no greater than 20 percent of the total low- and moderate-income units;

b. At least 30 percent of all low- and moderate-income units shall be two bedroom units;

c. At least 20 percent of all low- and moderate-income units shall be three bedroom units; and

d. The remaining units may be allocated among two and three bedroom units at the discretion of the developer.

4. Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low- and moderate-income units within the inclusionary development. The standard may be met by having all one bedroom units or by having a two bedroom unit for each efficiency unit.

B. Accessibility Requirements:

1. The first floor of all restricted townhouse dwelling units and all restricted units in all other multistory buildings shall be subject to the technical design standards of the Barrier Free SubCode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

2. All restricted townhouse dwelling units and all restricted units in other multistory buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:

- a. An adaptable toilet and bathing facility on the first floor;
- b. An adaptable kitchen on the first floor;
- c. An interior accessible route of travel on the first floor;
- d. An interior accessible route of travel shall not be required between stories within an individual unit;
- e. An adaptable room that can be used as a bedroom, with a door or the casing for the installation of a door, on the first floor; and
- f. An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a, et seq.) and the Barrier Free SubCode, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, or evidence that Spring Lake has collected funds from the developer sufficient to make 10 percent of the adaptable entrances in the development accessible:

1) Where a unit has been constructed with an adaptable entrance, upon the request of a disabled person who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.

2) To this end, the builder of restricted units shall deposit funds within the Borough of Spring Lake's affordable housing trust fund sufficient to install accessible entrances in 10 percent of the affordable units that have been constructed with adaptable entrances.

3) The funds deposited under paragraph f.2) above shall be used by the Borough of Spring Lake for the sole purpose of making the adaptable entrance of any affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.

4) The developer of the restricted units shall submit a design plan and cost estimate for the conversion from adaptable to accessible entrances to the Construction Official of the Borough of Spring Lake.

5) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free Sub Code, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14, and that the cost estimate of such conversion is reasonable, payment shall be made to the Borough's affordable housing trust fund in care of the Borough Treasurer who shall ensure that the funds are deposited into the affordable housing trust fund and appropriately earmarked.

6) Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is site impracticable to meet the requirements.

Determinations of site impracticability shall be in compliance with the Barrier Free Sub Code, N.J.A.C. 5:23-7 and N.J.A.C. 5:97-3.14.

C. Maximum Rents and Sales Prices:

1. Spring Lake hereby establishes that the maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60 percent of median income, and the average rent for restricted low- and moderate-income units shall be affordable to households earning no more than 52 percent of median income.

2. The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low-income and moderate-income units, provided that at least 10 percent of all low- and moderate-income rental units shall be affordable to households earning no more than 35 percent of median income.

3. The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70 percent of median income, and each affordable development must achieve an affordability average of 55 percent for restricted ownership units; in achieving this affordability average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.

Section 7. Utilities

A. Affordable units shall utilize the same type of heating source as market units within the affordable development.

B. Tenant-paid utilities that are included in the utility allowance shall be so stated in the lease and shall be consistent with the utility allowance approved by DCA for its Section 8 program.

Section 8. Occupancy Standards

A. Occupancy standards for affordable housing units shall be in accordance with N.J.A.C. 5:80-26.4, as may be amended and supplemented:

B. In determining the initial rents and initial sales prices for compliance with the affordability average requirements for restricted units other than assisted living facilities, the following standards shall be used:

1. A studio shall be affordable to a one person household;
2. A one bedroom unit shall be affordable to a one and one-half person household;
3. A two bedroom unit shall be affordable to a three person household;

4. A three bedroom unit shall be affordable to a four and one-half person household;
and

5. A four bedroom unit shall be affordable to a six person household.

C. For assisted living facilities, the following standards shall be used:

1. A studio shall be affordable to a one person household;

2. A one-bedroom unit shall be affordable to a one and one-half person household;
and

3. A two-bedroom unit shall be affordable to a two person household or to two one-person households.

D. In referring certified households to specific restricted units, to the extent feasible, and without causing an undue delay in occupying the unit, the Administrative Agent shall strive to:

1. Provide an occupant for each bedroom;

2. Provide children of different sex with separate bedrooms; and

3. Prevent more than two persons from occupying a single bedroom.

Section 9. Control Periods for Ownership Units and Enforcement Mechanisms

A. Control periods for ownership units shall be in accordance with N.J.A.C. 5:80-26.5, as may be amended and supplemented, and each restricted ownership unit shall remain subject to the requirements of this Ordinance until Spring Lake elects to release the unit from such requirements pursuant to action taken in compliance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, and prior to such an election, a restricted ownership unit must remain subject to the requirements of N.J.A.C. 5:80-26.1, as may be amended and supplemented, for at least 30 years.

B. At the time of the first sale of the unit, the purchaser shall execute and deliver to the Administrative Agent a recapture note obligating the purchaser (as well as the purchaser's heirs, successors and assigns) to repay, upon the first non-exempt sale after the unit's release from the requirements of this Ordinance, an amount equal to the difference between the unit's non-restricted fair market value and its restricted price, and the recapture note shall be secured by a recapture lien evidenced by a duly recorded mortgage on the unit.

C. The affordability controls set forth in this Ordinance shall remain in effect despite the entry and enforcement of any judgment of foreclosure with respect to restricted ownership units. A restricted ownership unit shall be required to obtain a Continuing Certificate of Occupancy or a certified statement from the Construction Official stating that the unit meets all code standards

upon the first transfer of title that follows the expiration of the applicable minimum control period provided under N.J.A.C. 5:80-26.5(a), as may be amended and supplemented.

Section 10. Price Restrictions for Ownership Units, Homeowner Association Fees and Resale Prices

Price restrictions for ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:

A. The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent. The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95 percent of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28 percent of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

B. The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.

C. The master deeds of affordable developments shall provide no distinction between the condominium or homeowner association fees and special assessments paid by low- and moderate-income purchasers and those paid by market purchasers.

D. The owners of ownership units may apply to the Administrative Agent to increase the maximum sales price for the unit on the basis of capital improvements. Eligible capital improvements shall be those that render the unit suitable for a larger household or the addition of a bathroom.

Section 11. Buyer Income Eligibility

A. Buyer income eligibility for ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, such that low-income ownership units shall be reserved for households with a gross household income less than or equal to 50 percent of median income and moderate income ownership units shall be reserved for households with a gross household income less than 80 percent of median income.

B. The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the estimated monthly housing cost for the particular unit (including principal, interest, taxes, homeowner and private mortgage insurance and condominium or homeowner association fees, as applicable) does not exceed 33 percent of the household's eligible monthly income.

Section 12. Control Periods for Rental Units

A. Each restricted rental unit shall remain subject to the requirements of this Ordinance until Spring Lake elects to release the unit from such requirements, however, prior to such a municipal election, a restricted rental unit must remain subject to the requirements of this Ordinance for a period of at least 30 years.

B. Deeds of all real property that include restricted rental units shall contain deed restriction language. The deed restriction shall have priority over all mortgages on the property, and the deed restriction shall be filed by the developer or seller with the records office of the County of Monmouth. A copy of the filed document shall be provided to the Administrative Agent within 30 days of the receipt of a Certificate of Occupancy.

C. A restricted rental unit shall remain subject to the affordability controls of this Ordinance, despite the occurrence of any of the following events:

1. Sublease or assignment of the lease of the unit;
2. Sale or other voluntary transfer of the ownership of the unit; or
3. The entry and enforcement of any judgment of foreclosure.

Section 13. Price Restrictions for Rental Units and Rent Increases; Leases

A. The initial rent for a restricted rental unit shall be approved by the Administrative Agent and shall be calculated so as not to exceed 30 percent of the eligible monthly income of the appropriate household size as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.

B. Rents may be increased annually based on the Housing Consumer Price Index for the United States, as published annually by COAH. Rents may not be increased more than once a year.

C. A written lease shall be required for all restricted rental units, except for units in an assisted living residence, and tenants shall be responsible for security deposits and the full amount of the rent as stated on the lease. A copy of the current lease for each restricted rental unit shall be provided to the Administrative Agent.

D. No additional fees or charges shall be added to the approved rent (except, in the case of units in an assisted living residence, to cover the customary charges for food and services) without the express written approval of the Administrative Agent.

E. Application fees (including the charge for any credit check) shall not exceed five percent of the monthly rent of the applicable restricted unit and shall be payable to the Administrative

Agent to be applied to the costs of administering the controls applicable to the unit as set forth in this Ordinance.

Section 14. Tenant Income Eligibility

A. Tenant income eligibility shall be in accordance with N.J.A.C. 5:80-26.13, as may be amended and supplemented, and shall be determined as follows:

1. Low-income rental units shall be reserved for households with a gross household income less than or equal to 50 percent of median income.

2. Moderate income rental units shall be reserved for households with a gross household income less than 80 percent of median income.

B. The Administrative Agent shall certify a household as eligible for a restricted rental unit when the household is a low-income household or a moderate-income household, as applicable to the unit, and the rent proposed for the unit does not exceed 35 percent (40 percent for age-restricted units) of the household's eligible monthly income as determined pursuant to N.J.A.C. 5:80-26.16, as may be amended and supplemented; provided, however, that this limit may be exceeded if one or more of the following circumstances exists:

1. The household currently pays more than 35 percent (40 percent for households eligible for age-restricted units) of its gross household income for rent, and the proposed rent will reduce its housing costs;

2. The household has consistently paid more than 35 percent (40 percent for households eligible for age-restricted units) of eligible monthly income for rent in the past and has proven its ability to pay;

3. The household is currently in substandard or overcrowded living conditions;

4. The household documents the existence of assets with which the household proposes to supplement the rent payments; or

5. The household documents proposed third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.

C. The applicant shall file documentation sufficient to establish the existence of the circumstances in B.1. through B.5. above with the Administrative Agent, who shall counsel the household on budgeting.

Section 15. Municipal Housing Liaison

A. COAH requires Spring Lake to appoint a specific municipal employee to serve as a Municipal Housing Liaison responsible for administering the affordable housing program,

including affordability controls, the Affirmative Marketing Plan, monitoring and reporting, and, where applicable, supervising any contracting Administrative Agent. Spring Lake shall adopt an Ordinance creating the position of Municipal Housing Liaison. Spring Lake shall adopt a Resolution appointing a Municipal Housing Liaison. The Municipal Housing Liaison shall be appointed by the governing body and may be a full or part time municipal employee. The Municipal Housing Liaison shall be approved by COAH and duly qualified before assuming the duties of Municipal Housing Liaison.

B. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for Spring Lake, including the following responsibilities which may not be contracted out to the Administrative Agent:

1. Serving as Spring Lake's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents and interested households;

2. Monitoring the status of all restricted units in Spring Lake's Fair Share Plan;

3. Compiling, verifying and submitting annual reports as required by COAH;
 4. Coordinating meetings with affordable housing providers and Administrative Agents, as applicable; and
 5. Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing as offered or approved by COAH.
- C. Subject to approval by the Court, Spring Lake shall contract with the _____ to act as Administrative Agent and administer the affordable housing program in Spring Lake, except for those responsibilities which may not be contracted out as described above. The Administrative Agent shall have the responsibility to administer all aspects of Spring Lake's affordable housing program, including the affordability controls and Affirmative Marketing Plan, except for the rehabilitation programs, which shall be separately contracted to _____, and except for group homes, which shall be administered by their respective providers. The Municipal Housing Liaison shall supervise the contracting Administrative Agents.

Section 16. Administrative Agent for Newly Created Affordable Housing Units

- A. The affordability controls set forth in this Ordinance shall be administered and enforced by the Administrative Agent. The primary responsibility of the Administrative Agent shall be to ensure that the restricted units are sold or rented, as applicable, only to low and moderate-income households.
- B. The Administrative Agent shall create and shall publish in plain English, and in such other languages as may be appropriate to serving its client base, a written operating manual, as approved by COAH, setting forth procedures for administering the affordability controls, including procedures for long-term control of restricted units; for enforcing the covenants of N.J.A.C. 5:80-26.18, as may be amended and supplemented, and for releasing restricted units at the conclusion of the applicable control periods. The Administrative Agent shall have authority to take all actions necessary and appropriate to carrying out its responsibilities hereunder. The operating manual shall have a separate and distinct chapter or section setting forth the process for identifying applicant households seeking certification to restricted units, for reviewing applicant household eligibility and for certifying applicant households in accordance with the household certification and referral requirements set forth in N.J.A.C. 5:80-26.16, as may be amended and supplemented.
- C. The Administrative Agent shall establish and maintain a ready database of applicant households as a referral source for certifications to restricted units, and shall establish written procedures to ensure that selection among applicant households be via the database, and in accordance with a uniformly applied random selection process and all applicable State and Federal laws relating to the confidentiality of applicant records.
- D. The Administrative Agent shall have the authority to discharge and release any or all instruments, included in the Appendices of the Uniform Housing Affordability Controls

(N.J.A.C. 5:80-26, as may be amended and supplemented), that have been filed of record to establish affordability controls.

Section 17. Affirmative Marketing Requirements

A. The affirmative marketing plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer or sponsor of affordable housing. The affirmative marketing plan is also intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. It is a continuing program that directs all marketing activities toward COAH Housing Region 1 and covers the period of deed restriction.

B. The affirmative marketing plan shall provide a regional preference for all households that live and/or work in COAH Housing Region 4, consisting of Mercer, Monmouth, and Ocean Counties.

C. The municipality has the ultimate responsibility for the adopting the affirmative marketing plan and for the proper administration of the affirmative marketing program, including initial sales and rentals and resales and rerentals. The Administrative Agent designated by the Borough of Spring Lake shall assure the affirmative marketing of all affordable units.

D. In implementing the affirmative marketing plan, the Administrative Agent shall provide a list of counseling services to low and moderate income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.

E. The affirmative marketing plan shall describe the media to be used in advertising and publicizing the availability of housing. In implementing the affirmative marketing plan, the Administrative Agent shall consider the use of language translations.

F. The affirmative marketing process for available affordable units shall begin at least four months prior to the expected date of occupancy.

G. Applications for affordable housing shall be available in several locations, including, at a minimum, the County Administration Building and/or the County Library for each county within the housing region; the municipal administrative building and the municipal library in the municipality in which the units are located; and the developer's rental office. Applications shall be mailed to prospective applicants upon request.

H. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer.

Section 18. Household Certification and Referral; Related Project Information

- A. No household may be referred to a restricted unit, or may receive a commitment with respect to a restricted unit, unless that household has received a signed and dated certification and has executed a certificate.
- B. The sources of income considered by the Administrative Agent shall be the types of regular income reported to the Internal Revenue Service and are those that are typically used for a mortgage loan approval.
- C. If the applicant household owns a primary residence with no mortgage on the property valued at or above the regional asset limit as published annually by COAH, a certificate of eligibility shall be denied unless the applicant's existing monthly housing costs exceed 38 percent of the household's eligible monthly income.
- D. The Administrative Agent shall employ a random selection process when referring households for certification to affordable units.

Section 19. Enforcement of Affordable Housing Regulations

- A. Although Spring Lake shall delegate to its designated Administrative Agent the day-to-day responsibility for implementing practices and procedures designed to ensure effective compliance with the controls set forth in this Ordinance, the municipality has the ultimate responsibility for ensuring effective compliance with this Ordinance.
- B. The Administrative Agent's practices and procedures shall include, but shall not necessarily be limited to, the following:
 - 1. Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent.
 - 2. Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates.
 - 3. The posting annually in all rental properties, including two-family homes, of a notice as to the maximum permitted rent together with the telephone number of the Administrative Agent where complaints of excess rent can be made.
 - 4. Notifying the owners of owner occupied units that the unit may be resold only to a household that has been approved in advance and in writing by the Administrative Agent.
 - 5. Notifying the owners of owner occupied units that no sale of the unit shall be lawful unless approved in advance and in writing by the Administrative Agent, and that no sale

shall be for a consideration greater than regulated maximum permitted resale price, as determined by the Administrative Agent.

6. Notifying the owners of owner occupied units that no refinancing, equity loan, secured letter of credit, or any other mortgage obligation or other debt secured by the unit may be incurred except as approved in advance and in writing by the Administrative Agent, and that at no time will the Administrative Agent approve any debt, if incurring the debt would make the total of all such debt exceed 95 percent of the then applicable maximum permitted resale price.

7. Notifying the owners of owner occupied units that the owner of the unit shall at all times maintain the unit as his or her principal place of residence, which shall be defined as residing at the unit at least 260 days out of each calendar year.

8. Notifying the tenants and owners of all restricted units that, except as set forth in N.J.A.C. 5:80-26.18(c)4vii, as may be amended and supplemented, at no time shall the owner or tenant of the unit lease or rent or sublease the unit to any person or persons, except on a short-term hardship basis as approved in advance and in writing by the Administrative Agent.

9. Notifying the tenants of restricted rental units that the maximum permitted rent chargeable to tenants of affordable units shall be as stated in the notice required to be posted in accordance with N.J.A.C. 5:80-26.18(d)3, as may be amended and supplemented, a copy of which shall be enclosed, and that copies of all leases for affordable rental units must be submitted annually to the Administrative Agent.

C. Banks and other lending institutions are prohibited from issuing any loan secured by owner-occupied real property subject to the affordability controls set forth in this Ordinance, if such loan would be in excess of amounts permitted by the restriction documents recorded in the deed or mortgage book in the county in which the property is located.

Section 20. Appeals

Appeals from all decisions of an Administrative Agent appointed pursuant to this Ordinance shall be filed in writing with the Court unless the Court delegates this responsibility to the Executive Director of COAH.

REPEALER

All Ordinances or parts of Ordinances inconsistent herewith are repealed as to such inconsistencies.

SEVERABILITY

If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

EFFECTIVE DATE

This ordinance shall take effect upon passage and publication as provided by law.

ATTEST:

BOROUGH OF SPRING LAKE

Jane L. Gillespie, Borough Clerk

Jennifer Naughton, Mayor

Introduced:

Motion by:

Second by:

Introduction Roll Call:

Ayes:

Nayes:

Absent:

Adopted:

Motion by:

Second by:

Adoption Roll Call:

Ayes:

Nayes:

Absent:

MEMBER	AYE	NAY	ABSTAIN	NO VOTE	ABSENT
MAYOR (Tie)					
TOTAL					

I hereby certify the foregoing to be a true copy of an ordinance adopted by the Mayor and
Borough Committee at a meeting held on _____, 2008.

Jane L. Gillespie, Borough Clerk